

Austria Tries to Come to Terms With a Half-Buried Nazi Past

By James M. Markham
New York Times Service

VIENNA — For decades, Austria has lived with a half-buried Nazi past that has enabled it to skirt the part it played in the crimes of the Nazis.

It goes like this: As the first victim of Hitler's aggression, in 1938, Austria was not responsible for what happened afterward.

But in recent weeks a controversy over a seemingly isolated episode — a cabinet minister's decision to welcome a freed Nazi war criminal on his return home — has ruffled outward into the country's political establishment, revealing widespread and compromising links to the Nazi past.

The controversy was set off by Defense Minister Friedrich Frischenschlager, who flew to Graz in January to receive Walter Reder, an Austrian-born former major in the Nazi SS. He had been freed from a life sentence he was serving in Italy for his role in the mass killing of Italian civilians in 1944.

Like a substantial number of senior politicians in the small Freedom Party, the junior partner in Austria's Socialist-led coalition, Mr. Frischenschlager is the son of a Nazi party member.

When the defense minister elaborated his apology for an Israeli newspaper, rightists in his own party revolted. Jörg Haider, 35, the organization's leader in southern Carinthia, said that no apology was

necessary since Mr. Reder was simply "a soldier who had done his duty."

"If you are going to speak about war crimes," he said, "you should admit such crimes were committed by all sides and not pick on a few German soldiers."

Carinthia is a traditionally rightist corner of Austria, and Mr. Haider has helped a successful political career there by campaigning against the rights of its Slovenian minority to have their children taught in their own language. His father joined the Hitler Youth in 1929 and the Brownshirts the following year.

In exploiting the Reder dispute, Mr. Haider was pursuing a long-standing vendetta against Norbert Steier, the Freedom Party's national leader, whom the Carinthian politician regards as too liberal.

When Mr. Haider briefly threatened to break off and start his own party, he was dressed down by the Freedom Party's national executive. He flippantly denied comparisons between the Freedom Party and the Nazis, saying that if the comparison were exact, the Freedom Party would have a majority following in Austria.

The struggle within the Freedom Party is not accidental or gratuitous. With the emergence of Greens environmentalist coalition endorsing the Freedom Party's hold on Austria's protest vote, Mr. Steier's

organization is under pressure to move to the far right, where a recent poll found a reservoir of perhaps 15 percent of the popular vote.

But the Reder furor has a deeper historical background. At the end of the war, about 660,000 former Austrian Nazi party members registered and were temporarily deprived of the right to vote.

In a small country, politicians found this a temptingly large pool, and the Socialist Party, bereft of most of the Jews who had been so important to it before the war, took in a considerable number of former Nazi professional people, giving them high posts in newly nationalized banks and industries.

Other former Nazis flooded into the Association of Independents, the forerunner of the Freedom Party, which in 1955 set out to establish itself as the country's "third force."

The country's half-hearted denazification generated a clash between Austria's two most prominent Jews: Chancellor Bruno Kreisky and Simon Wiesenthal, the Vienna-based Nazi hunter.

In 1970, Mr. Wiesenthal denounced the chancellor for including four former Nazis in his cabinet. Five years later, Mr. Wiesenthal revealed that Friedrich Peter, the Freedom Party's leader, had been a lieutenant in the 1st SS



Walter Reder



Friedrich Frischenschlager

Infantry Brigade behind Russian lines in the occupied Ukraine.

This disclosure was extremely unsettling since Mr. Kreisky had cultivated the Freedom Party as the Socialist's eventual coalition partner.

The Socialist-Freedom coalition was finally formed under Fred Sinowatz, who succeeded Mr. Kreisky as chancellor in 1983. Mr. Peter, who quietly dropped a lawsuit against Mr. Wiesenthal, remains the Freedom Party's floor leader.

Mr. Wiesenthal, 76, said in an

interview that there were only eight trials of Nazis during the Kreisky era — and six acquittals. He said the last trials were held in 1975.

"The acquittals include those who repaired the gas ovens at Auschwitz," he said.

Mr. Wiesenthal made an unfavorable comparison of Austria's de-Nazification with the same process in West Germany.

"The Germans," he said, "understood that restitution through money and trials was the ticket back into the civilized world. Austria got a ticket for nothing."



Women and children fleeing the Tokyo fires in March 1945, after the U.S. firebombing. The concrete buildings in the background already were either gutted or burning.

Tokyo Recalls U.S. Firebombing

The Associated Press

TOKYO — Forty years ago, on Friday, March 9, 1945, air raid sirens blared and Radio Tokyo broke into regular broadcasting to report that planes were approaching the city. A few minutes later, the great firebombing of Tokyo began.

By the time it was over at least 120,000 people — and by one postwar Japanese government estimate as many as 190,000 — were dead or missing. More than 13 square miles (about 34 square kilometers), about a fifth of the city's area and a fourth of its buildings, were in ashes.

In immediate casualties and damage, the March 9 firebomb attack was World War II's most devastating single air raid in Asia. It killed more people than the atomic attacks on Hiroshima (estimated at 120,000) and Nagasaki (78,000) and outstripped the Allied "fire-storm" raids on Hamburg in 1943 (50,000 killed in a week) and Dresden (90,000 to 150,000 estimated killed) just weeks before the Tokyo raid.

Last month, a department store in the Nishi-Shinjuku district, where thousands of people died on March 9-10, presented a 40th anniversary war exhibit, that included photographs and scorched souvenirs from the night of terror.

An estimated 45,000 people, old and young, many weeping, filed past stark black-and-white pictures of burned bodies and vast stretches of rubble.

Michiko Ohno, 67, remembered the firebombs,

saying she was at first reluctant to see the exhibit. "It is too miserable," she said.

Katsuo Yamashita, 37, who took her children, aged 8 and 11, to the exhibit, said that her father had told her of attack. But it was not until she saw the pictures, Mrs. Yamashita said, that she realized how terrible it had been.

"Then I burst into tears," she said.

When the sirens sounded 40 years ago, Tokyo citizens, inured to three months of visits of U.S. B-29 bombers, sought shelter.

But there was no thunder of bombs. Instead a rain of dark, cylindrical canisters fell, splattering jellied gasoline and magnesium across the rooftops and narrow streets of northeast Tokyo's working-class neighborhoods.

In the neighborhoods lived hundreds of thousands of people, some employed in small plants that usually had fewer than 30 workers, others in so-called "home factories" where entire families made aircraft parts, rifle bullets, uniforms and myriad other supplies for the military machine.

The family industry, a Japanese tradition, was made to order for the war and, with many of the country's major industries already crippled, it had become a prime target for U.S. bombers.

Flames jumped firebreaks and generated a firestorm effect that sucked up oxygen, suffocating people and causing the flimsy buildings to literally explode.

West German Bombings Raise Fears Of Terror Campaign Against Civilians

By William Drozdiak
Washington Post Service

BONN — A new spate of bombings in West Germany on Friday, the second in two days, has aroused government fears that leftist terrorists are escalating their campaign to strike civilians and not just military and arms industry targets.

A group called the Revolutionary Cells claimed responsibility for three bomb blasts Friday against mining and shipping offices.

In a letter to a West German news agency, the group said it planted the bombs against "grave-diggers" who collaborated with the "British coal-mining capitalists."

The attacks damaged a miners' union building in Bochum, a coal mining company's office in Essen and the office of Hamburg shipping company that exported coal to Britain during the yearlong miners' strike there. No one was injured in the explosions.

On Thursday, a bomb exploded in a department store in Dortmund, wounding nine people, two seriously. An anonymous caller telephoned the newspaper Bild to say that the "Action Christian

Klar" was responsible and warned that further attacks would take place.

Christian Klar, the alleged leader of the leftist Red Army Faction, is awaiting trial in a Stuttgart prison for murder. He and 30 other jailed terrorist suspects staged a hunger strike for nearly two months to press their demands to be incarcerated together.

Their last, which instigated a wave of bombings and arson attacks by supporters, was abandoned Feb. 1 after guerrillas killed Ernst Zimmermann, a leading arms industrialist, at his home near Munich.

Since the shooting, the police have intensified security measures for leading politicians and business figures, and deployed paramilitary forces from the 20,000-strong border security patrol to protect potential targets.

The bombings on Thursday and Friday, the first serious guerrilla attacks since the Zimmermann slaying, have evoked anxiety here because the police fear that radicals may set off random explosions without concern for bystanders.

Shultz Intervened to Block Managua's \$58-Million Loan

(Continued from Page 1)

Under the bank's rules, Mr. Ortiz Mensa then was required to take action on the matter.

A copy of the letter was obtained by The Washington Post, and its contents were verified both by bank officials and by the U.S. State Department.

A department statement Thursday said that the letter was a "reiteration of long-standing U.S. policy to weigh heavily when evaluating loans proposed by multinational development banks the macroeconomic policies pursued by the borrowing countries."

"Our presence on Nicaragua, of course, is multifaceted," said a State Department official who declined to be identified Thursday. "It is not devoted to any particular area."

There were strong indications Thursday, sources at the bank said, that the U.S. effort had succeeded in stalling, perhaps indefinitely, the governing board's consideration of the loan. Sources said that Mr. Ortiz Mensa had ordered technical committee reconsideration of the

loan based on new adjustments in the Nicaraguan economy.

There were similar indications that the Latin American bank members, despite their earlier strong support of bringing the loan to a vote, had decided to acquiesce to its deferral after coming under what one diplomat called "very strong pressure."

Lawmakers in U.S. Link MX Support to Arms Talks

(Continued from Page 1)

the group who met Wednesday on arms control, all have agreed to support a slowdown in the MX program as part of the defense bill for the 1986 fiscal year, which will be taken up in the Armed Services Committee in April or May.

The administration has requested \$4 billion for 48 missiles in that budget. Ultimately, the administration wants to build 223 missiles, with 100 deployed in Minuteman missile silos in the West and the rest for testing and spares.

Warning by Weinberger Defense Secretary Caspar W. Weinberger warned Thursday that if Congress freezes defense spending, Mr. Reagan's military buildup will be crippled, the U.S. position in the Geneva arms talks weakened and the Pentagon forced to scrap plans for thousands of weapons. The Washington Post reported from Washington.

In testimony before the House Budget Committee, Mr. Weinberger said spending targets that the Senate Budget Committee approved Tuesday would mean elimination of 5,000 missiles, 175 airplanes, 240 M1 tanks and two ships.

The Senate committee's decision, if approved by Congress,

Britain to Offer Plan On Chemical Weapons

The Associated Press

LONDON — Britain will propose a ban on the use of industrial chemicals in chemical weapons, according to a Foreign Office minister, Richard Luce.

The proposal, to be made in Geneva on Tuesday to the United Nations Committee on Disarmament, will include means of verifying that no industrial chemicals are used in weapons, including "comprehensive on-site inspection," Mr. Luce said Thursday.

Lawmakers in U.S. Link MX Support to Arms Talks

(Continued from Page 1)

would cut Mr. Reagan's proposed military outlays of nearly \$1 trillion over the next three years by \$79.3 billion, starting with \$11 billion in fiscal 1986.

Also Thursday, Navy Secretary John F. Lehman Jr. said a Senate subcommittee that the cuts would require the closing of naval installations and cancellation of the navy's aircraft program and three-quarters of its shipbuilding program.

Reagan, Russian Debate Arms Race

(Continued from Page 1)

avenue for progress." The Associated Press reported from Washington.

In a formal standoff at the White House, Mr. Reagan said: "Like Americans everywhere, I want these negotiations to succeed and will do everything I can to insure that this happens. I pray that the Soviet leadership is prepared to make the same commitment."

Mr. Reagan's national security affairs adviser, Robert C. McFarlane, one of the architects of the U.S. positions, on Thursday blamed the Russians for thwarting previous arms control efforts and agreements.

"History may lead some to doubt that we will make headway" in Geneva, Mr. McFarlane told the Overseas Writers, a journalists' club. "We're not captive by history. We're just trying to make a little."

Mr. Shcherbitsky, in a long statement on U.S.-Soviet relations and the arms talks made public by the Soviet news agency, Tass, said that even preparations for the space defense plan would bring about "an undermining of the whole process of arms limitation and reduction."

Carrying out the plan, Mr. Shcherbitsky said, "would nullify all the positive things achieved in

WORLD BRIEFS

Mubarak Asks Paris to Back His Plan

PARIS (Reuters) — President Hosni Mubarak of Egypt said Friday that he had sought French help to persuade the United States to support his plan for new Middle East peace talks.

Mr. Mubarak, visiting Paris on his way to meet with President Ronald Reagan in Washington, said he had asked President Francois Mitterrand "to support our diplomatic moves toward the United States." Egypt wants the United States to start talks with a Palestinian-Jordanian delegation that might lead to direct talks among Israel, Jordan and the Palestinians.

Mr. Mitterrand's adviser on foreign affairs, Hubert Vedrine, said later that France was planning contacts with the United States on the Mubarak initiative. Mr. Vedrine declined to elaborate, but expressed reservations about the plan, saying it "simplifies the process and causes an acceleration which contains the risk of being harmful to peace moves."

Iraqis Bomb 5 Iranian Border Towns

NICOSIA (AP) — Iraqi planes bombed five border towns Friday in southern and western Iran, killing or wounding hundreds of people, the Iranian news agency reported.

The agency, monitored here, quoted Ali Reza Attar, governor of West Azerbaijan province, as saying that 400 people were killed or wounded in Piranbahr, a small town just east of the border in Iranian Kurdistan.

Mr. Attar, the agency reported, said that the Iraqi jets struck at populated areas of the town, the staging point of Iran's assault into Iraqi Kurdistan last year. Five minutes later, eight Iraqi jets bombed sections of Susangard, 50 kilometers (30 miles) northwest of Ahwaz, capital of Khuzistan province, killing at least 40 persons and wounding scores of residents, the agency said.

Six Iraqi planes bombed the oil-refining city of Abadan, on the Shatt-al-Arab waterway in the south, killing six persons and destroying 50 houses and stores, it said. Khonsabahr, upstream from Abadan, and Bostan, to the north, were also attacked, the agency added.

Dutch Group Leaks 'Classified' Data

AMSTERDAM (AP) — A Dutch anti-military group published Friday what it said was classified information stolen from the Dutch Army's counterintelligence service, including names, addresses and telephone numbers of staff members.

The list, as well as a table of organization of the counterintelligence service, appeared in a pamphlet, "Dossier 002," published by Onkrmit, the nation's most active anti-military group. Onkrmit said earlier that the stolen documents showed the counterintelligence group had been spying on it.

"Dossier 002" said its information came from documents stolen by members of the underground group from a counterintelligence service facility in Utrecht last November.

Chilean Troops Move to Halt Looting

SANTIAGO (UPI) — The Chilean government increased army patrols in the capital and the port cities of Valparaiso and San Antonio on Friday to halt looting in areas hit by last Sunday's earthquake. The quake killed 151 people and left more than 200,000 homeless.

International relief for the homeless continued to arrive in Santiago, as Finance Ministry officials estimated damage at \$300 million. The authorities said that only 40 percent of the homeless had been given accommodations. The government canceled classes for one month so that homeless people could be sheltered in schools.

Chile has asked for aid from the World Bank and the Inter-American Development Bank, the government said, and intends to seek assistance from the International Monetary Fund. The European Community said Thursday it was sending \$240,000 in aid to be channeled through Caritas, a Roman Catholic charitable institution.

Shuttle Mission Delayed by Accident

CAPE CANAVERAL, Florida (AP) — A falling bucket injured a workman and imbedded itself in the cargo bay door of the space shuttle Discovery on Friday, the National Aeronautics and Space Administration reported. It said the damage would force the delay of a flight scheduled for March 28.

NASA officials said they did not know how long they would postpone the flight, which was to carry Senator Jake Garn of Utah and six other crew members into space. They said the metal bucket, large enough to hold two persons, penetrated the shuttle and probably caused extensive damage to heat-protection tiles. A board of specialists began an investigation.

The workman was being treated at a hospital for two fractures of his left leg. He is an employee of Lockheed Space Operations Co., which handles shuttle servicing under a contract with NASA.

UNESCO Employees Criticize M'Bow's Role

PARIS (AP) — One of two employee associations at UNESCO has called on the agency's director-general, Amadou Mahtar M'Bow, to cease all practices that limit freedom of expression of international civil servants at the organization.

The resolutions were passed unanimously at a meeting of the association on Wednesday. The association represents about 1,200 of UNESCO's 3,000 employees.

The resolution on freedom of expression stems from a decision by the administration of the UN Educational, Scientific and Cultural Organization, headed by Mr. M'Bow, to block distribution of a letter from the president of the staff association, Bruno de Padirac, of France. The letter addressed to Mr. M'Bow, pointed out that he had not consulted the association on possible reforms at UNESCO as the fall session of the organization's executive board had instructed him to do.

For the Record

Governor Edwin W. Edwards of Louisiana, his brother, Marion, and five other men pleaded not guilty Thursday to federal racketeering charges that accused them of illegally making \$10 million in a hospital construction scheme. Each was placed under \$100,000 bail.

Flight Lieutenant Jerry Rawlings, the leader of Ghana, has ordered the release of 202 political prisoners, including two former government ministers, to mark Independence Day, the Ghana News Agency said Friday.

Ariel Sharon's second libel suit against Time Magazine, for \$250,000, will be heard in Tel Aviv on May 7, it was reported Friday. He lost his first suit, for \$50 million, in a New York court.

Egyptian authorities have ordered the evacuation of an area in the Mediterranean town of Matruh after 300 live mines from World War II were found near a school, the Middle East News Agency reported. (AP)

Policemen Killed in New Caledonia

United Press International

NOUMEA, New Caledonia — A separatist Melanesian protester killed a French policeman with a machete Friday during a day of anti-French protests, officials said.

Roland Lecomte was the 20th person and the first policeman killed since November in violence between European settlers who want the Pacific island territory to remain French and indigenous Melanesians who want independence.

Police said Mr. Lecomte, 48, was struck in the back by a machete

while a team of military police, who were being pelted with stones by protesters, cleared away a roadblock near the town of Pouébo. The attacker reportedly escaped into the forest.

The killing was one of several violent incidents during a "Day of Kanak Mobilization" that included a seven-hour demonstration in Noumea by more than 2,500 separatist Melanesians, known as Kanaks, and smaller demonstrations throughout the island group.

The demonstrations were called to protest police raids on villages and to demand political-prisoner status for more than 100 separatists jailed in the past four months, including 93 prisoners who began a hunger strike Monday.

Ukeivé Assails French The territorial president, Dick Ukeivé, a Melanesian who opposes independence, appealed to the French government to help New Caledonia "get out of the nightmare it has been thrown into." The Associated Press reported from Noumea.

In a televised address several hours after the killing of the policeman, Mr. Ukeivé said Edgar P. Simi, France's special envoy to New Caledonia, had "failed totally in his mission" to initiate a dialogue between the feuding factions.

He said that French leaders have "rendered ridiculous the security forces, disgraced the state, outraged democracy."

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Don't Blame Only Japan

Japan sells far more in America than it buys, and the long quarrel over the trade imbalance continues, with tempers rising. Americans have trouble selling in Japan for reasons that sometimes are as simple as quotas and tariffs; but much more commonly the resistance is deeper — an ingrained Japanese attitude that it is not quite right to buy foreign goods. A few American companies have managed to overcome that attitude, but not many. Should the Japanese buy more American products? Yes, certainly — for the sake of their own standard of living. Their government has a responsibility to lead them more forcefully toward open trade.

But there is more to the subject than that. Beneath all the American irritation with Japan — and it is real — is a bit of guilty uneasiness. In matters of money and economics, the Japanese are behaving in the way Americans keep saying they themselves should be behaving. The Japanese save heavily, as Americans know they should but do not. The Japanese invest heavily, as Americans also know they should. The Japanese export their surplus savings abroad, as Americans used to do before the administration changed the rules and turned the United States into the world's biggest borrower. Most Americans know perfectly well that they should not live so heavily on credit. It does not help their relations with Japan to be reminded that the Japanese are currently the world's great example of the Puritan ethic.

Japanese send their savings in very large amounts to America, where they help finance the Reagan administration's budget deficits. As the money moves from one side of the Pacific to the other, from yen into dollars, it pushes the exchange rate of the yen down and the dollar up. Because of those enormous financial flows, the dollar's rate against the yen is about 30 percent higher than its worth in American goods. So for the Japanese exporter every sale for dollars brings a 30-percent rebate, and for Americans trying to sell in Japan, the exchange rate is like a 30-percent tax. Is it surprising that most of the trade is eastbound?

Even with this huge disadvantage, American exporters manage to sell quite a lot in Japan — some \$22 billion worth last year, more than to any other country but Canada. It is unlikely that sales will stay that high, let alone rise, if the exchange rate stays at the present level. Up to a point, it is not unfair to chide Japan for its far from open market. But Americans might usefully keep in mind that the greatest barrier to a better trade balance is not in Japan but in America, where a reckless economic policy and excessive borrowing are putting an impossible burden on export industries.

— THE WASHINGTON POST.

Charms of Protectionism

President Reagan's decision to let lapse the import quota on Japanese cars is completely welcome. By any reasonable calculation, the cost of the restraints has outweighed the value of the jobs saved. Yet the decision produces its own irony. The problem now may be to persuade Japan to expand its exports. For now that Japanese automakers and bureaucrats have experienced the comfort of an American-protected market, they are not eager to return to the chilly world of competition.

Four years ago the Reagan administration made Japan an offer it could not refuse: Limit auto exports voluntarily to about a fifth of the American market or face much tougher restrictions imposed by Congress. Now, happily, that pressure is off. American automakers earned record profits last year. Senior managers helped themselves to multimillion-dollar bonuses. And while employment remains far below the peak of the mid-1970s, the auto-workers' union has consistently refused to bargain away high wages for job security.

The Reagan administration, meanwhile, has become convinced that the cost of auto protectionism has been too high. According to a study by the U.S. International Trade Commission, an independent agency that holds no special brief for free trade, the quota has saved 44,000 jobs. But the cost in higher auto prices has been about \$90,000 a year per job. A study by the Federal Trade Commission puts the figure at a yet more amazing \$240,000.

In return for an end to the auto restraints, the administration is pressing Japan to open its markets for telecommunications equipment

and wood products. But the Japanese have not conceded an inch, and for an understandable reason: The auto quota was great for business.

Thanks to the quota, Japanese automakers have not had to compete among themselves for a share of the American market. That let them charge fat margins on exports, raising their profits by about \$2 billion a year.

The quota has also benefited the Japanese government. It enhances the power of the Ministry of International Trade and Industry to decide how to divide the quota pie among Japanese companies. It also holds down Japan's trade surplus with America, reducing the pressure to open Japan to more American products. That is why Japan may well try to continue limiting auto exports, through informal arrangements even after the quota expires.

The best hope for American consumers is that the Japanese auto cartel will succumb to competitive pressures from within. Toyota, Nissan and Honda seem satisfied with the current arrangement, but latecomers to the American market, notably Mitsubishi, Suzuki and Isuzu, may insist on much larger shares.

The sobering lesson is that protectionism is a game that its intended victims can also enjoy. It has long been understood that "managed trade" helps inefficient producers and their unions. What is often ignored is that it can also benefit efficient exporters, who exploit the restrictions to form marketing cartels and police compliance. There is, however, one group of players that can only lose: the players who should count most: consumers.

— THE NEW YORK TIMES.

Reagan vs. Birth Control

Because of strong congressional and international reaction, the Reagan administration last summer appeared to relax its efforts to weaken population-control aid for developing countries. In recent months, however, the U.S. Agency for International Development has begun applying rules that could seriously disrupt the network of family planning programs that has been carefully built up in Third World countries during the last 20 years.

The new rules, being put into effect without congressional approval, go far beyond the law governing AID programs; they could not be constitutionally applied to organizations within the United States. They would stop U.S. aid from flowing to private foreign organizations — such as hospitals, clinics or medical schools — if, using money from private sources or their own governments, those institutions provided information on abortions or performed abortion except to save a woman's life.

Under a longstanding U.S. policy favoring private, voluntary family planning programs over possibly coercive government-run programs, these private institutions are the major source of family planning assistance in most of the developing world. Since 70 percent of the population eligible to receive U.S. aid lives in countries in which abortion is legal on a wider basis, the rule would have far-reaching implications. Already AID has terminated a long-term grant to the International Planned Parenthood Federation, the major operator of family planning programs in many countries, and has frozen a still larger grant to the UN Fund for Population Activities.

AID insists that the rules are not meant to impede family-planning programs abroad, only to discourage abortions. But U.S. law has long forbidden the use of U.S. foreign aid for abortion or abortion-related activities. International family-planning agencies have instituted strict and often costly administrative procedures to see that the law is not violated.

Although AID was wise enough not to apply the new rule directly to foreign governments, many countries are likely to be offended by this attempt to dictate their internal policies. Even if they are not, many will find it hard to retain U.S. aid. These are countries in which even rudimentary health services are in short supply and the demand for birth control assistance was far from being met. Trying to create a separate network of family planning providers — which, under the strict AID rules, must be totally independent of any hospital, university or clinic where abortion-related services or training are provided — would be a slow if not impossible job. Whatever the Reagan administration's motives in applying this policy, it must accept responsibility for added suffering in countries where suffering is already an all too familiar condition.

— THE WASHINGTON POST.

FROM OUR MARCH 9 PAGES, 75 AND 50 YEARS AGO

1910: Caruso Defies the 'Black Hand'
NEW YORK — Signor Enrico Caruso, who is being persecuted by the "Black Hand," sang at the Brooklyn Academy of Music last night [March 7] guarded by forty-three policemen. The famous singer received several threatening letters from the "Black Hand" (terrorist society) recently demanding the payment of sums ranging from \$5,000 to \$25,000 in order to avoid attack by members of that organization. Signor Caruso placed the letters in the hands of the police and declared that he would not pay a penny to the blackmailers. He drove to the Academy of Music in an automobile guarded by detectives. All the doors of the Academy were closely watched, and the members of the audience were scrutinized as they passed to their seats. Two alleged suspicious persons were arrested, but afterwards released.

1935: Mexican Archbishop Vanishes
MEXICO CITY — Archbishop Pascual Diaz of Mexico City, who was expected back here last evening [March 7] from a tour of the country, has disappeared. His ecclesiastical friends expressed the opinion that the prelate is in the hands of extremists and that his life is in danger. The Minister of the Interior was unable to throw any light on the mysterious disappearance of the archbishop. One opinion current is that Mgr. Diaz has been deported by order of the government. It was learned that the archbishop's automobile was held outside the capital about 5 p.m. yesterday. The men who held up the car are said to have been either police or disguised as police. They ordered the occupants to leave the car, but after that all trace of the prelate and three priests with him was lost.

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Mubarak Builds on a 'Good Beginning'

By Philip Geyelin

WASHINGTON — President Hosni Mubarak of Egypt flies into Washington from Paris this weekend. Those who seem to like things the way they are in the Middle East — mostly hard-line Israelis and their American camp followers — are casting a jaundiced eye. Mr. Mubarak is no Anwar Sadat, they say, perhaps forgetting that the Sadat policies that made him a folk hero on Western television were his undoing at home. Mr. Mubarak's effort to promote a revival of the Middle East peace process is self-serving, the critics also say; he wants only to reassert Arab leadership and win a good opinion of Egypt as peacemaker.

A similarly suspicious eye, the cynics say, should be cast upon the recent efforts of King Hussein of Jordan to organize some kind of Palestinian representation for new negotiations for an Arab-Israeli settlement.

The bottom line of these put-downs is that the Arab states are deeply divided between obstructionists (Syria, being the worst of the lot) and moderates (Egypt, Jordan, and Saudi Arabia among others). The latter are too weak to get their act together; deep down they allegedly do not care what happens to the 1.4 million Palestinians on the West Bank and in Gaza.

There is a lot of truth in all of this. The Middle East is one big economic crisis. Even the "oil-rich" Gulf states are suffering from an oil glut. Moslem fundamentalism is not limited to its extremist to the Shiite terrorist against the Israelis in Lebanon or to the messianic designs of Iran's Ayatollah Ruhollah Khomeini. It preys on poverty, on the Palestinian issue, on Egypt's separate peace treaty with Israel, on Jordan's peace gestures — on any issue that serves the purpose of overthrowing moderate regimes.

So, yes, the so-called moderates do want more economic and/or arms aid from the United States. It has not escaped their notice that Israel is bidding for by far the largest slice of the new \$1.1 billion total U.S. foreign aid bill, perhaps as much as \$3.8 billion. But the point is that absolutely none of this is inconsistent with what

psychiatrists would call a "cry for help." That it may be self-serving makes it no less genuine or deserving of a serious and sustained response.

To say that nothing in the way of progress has so far materialized is to forget the extraordinary record of Jimmy Carter's efforts in the first year of his presidency to work both sides of the Arab-Israeli dispute. Brushing off the negative responses, he tested the alternatives and, by a process of elimination, helped promote the breakthrough of the Sadat visit to Jerusalem that led ultimately to Camp David. It is to forget, too,



how badly the stage was set for progress in early 1977 by comparison with the way it is set today.

Israel and Egypt are at peace, however ragged their relations; in protest at Israel's pressure in Lebanon, Egypt has withdrawn its ambassador. But they talk, as witness the recent visit to Jerusalem by Osama el-Baz, Mr. Mubarak's foreign affairs adviser. And Mr. Mubarak could have no more eloquent advance man in America than the Israeli minister without portfolio, Ezer Weizman, an increasingly influential

adviser to Prime Minister Shimon Peres, who was in America on television by satellite recently.

A questioner wanted to know if King Hussein and Mr. Mubarak were merely making "gestures of progress" . . . so they can come and make a deal on the American Treasury. Leaving aside the fact that King Hussein has pretty much given up on the U.S. Treasury, Mr. Weizman went out of his way to say that "knowing President Mubarak personally, I think that his initiative is far more fundamental than some people would like to show; I think that he sticks to the Camp David [accords] . . . What has happened in the last week or two is a good beginning."

That is not the way high-ranking Israeli officials were talking in early 1977. In fact, Israel changed prime ministers, from Labor's Yitzhak Rabin to the Likud's Menachem Begin, in the course of Mr. Carter's peace efforts, and it is a close question which man Mr. Carter found the more difficult to deal with.

The Camp David accords are in place as a point of departure. The national coalition government under Labor Prime Minister Peres has accepted Mr. Mubarak's offer to meet with the Egyptians, Jordan and whatever Palestinian representation can be worked out.

Mr. Mubarak has his own incentive for early action. As the only Arab leader at peace with Israel, he is vulnerable to extremist forces. His influence will wane and his domestic problems grow if he has nothing to show for his latest initiative, the more so since power will shift next year from Mr. Peres to Likud's Yitzhak Shamir as prime minister in the "unity" government.

Mr. Mubarak will be asking President Reagan not for a headline plunge but for probes of both sides, first with some sort of Egyptian, Jordanian and Palestinian delegation and then with the Israelis, before any serious mediation is begun.

Taking it step by step, he is taking the risks as they come, but the risks are as nothing compared to the risk of inaction to Middle East "cries for help."

Washington Post Writers Group.

A Palestinian Answer to a Fundamental Question

By Mohammad Tarbush

PARIS — A question often put to Palestinians is, Why not do as other refugees have done and adopt the country you now live in? Even if one ignores the weakness of comparisons in a fair analysis (they tend to oversimplify issues), not to mention the moral points that might be brought to bear, there are aspects of the Palestinian problem that make it altogether different from others involving refugees.

In other instances in which war or upheaval has displaced masses of people, it has usually been possible for the displaced to regain their homes — or at least the right to re-establish them in the same city, the same country. The social and political climate might have changed.

Perhaps even the geographical environment might be different. But historically, the victims of war and famine could go back to their soil. Masses of Sicilians might emigrate to America, impelled by economic considerations; Poles might defect; Ethiopians might cross into Sudan in search of food; Cambodians might take to rafts to escape torture and starvation.

The immigrants might choose to stay, and the children and grandchildren of those storied huddled masses are probably materially richer for their ancestors' decision to remain in America, not to mention the dynamism they gave that country. Or the displaced might not

choose to stay and they might face political reprisals for retaining some. But Sicily is still Sicily and Poland is still Poland. It is even a reasonable expectation that someday the millions who have fled Cambodia's sad and tortuous system will be able to return in peace.

Not so with Palestinians. A conscious, systematic effort is not just keeping us off our lands; it is trying to erase our identity and our country's identity from human memory. The land is officially called Judea and Samaria by the occupying Israelis. Even the words "Palestine" and "Palestinian" do not exist in Israeli school textbooks.

Palestinian traditions have been reinterpreted. Falafel, a popular Palestinian dish, is now presented to the world as an Israeli delicacy. Palestinian embroidered dresses are worn by El Al hostesses as symbols of Israeli craft. It is just so much Dead Sea salt in festering sores.

The first wave of refugees left Palestine during the 1948 war. Another exodus, also driven by fear, followed the 1967 war. Almost three million of the total Palestinian population of four million are now refugees or exiles. When hostilities died down after both wars, the refugees were kept from returning. Even the annual United Nations call for their repatriation goes unheeded.

All this is familiar, of course. The situation has been discussed and described in the media for decades. But because it is still unresolved, because the issue is so crucial to peace in the Middle East and because the human dimensions get lost in the rhetoric and the statistics, let me cite an example, the case of my own family. I come from a land-owning family that lived in Beit Nattif, a biblical village of 16 kilometers (10 miles) west of Bethlehem.

To my forebears, not only was land the main source of livelihood, but the agricultural seasons were the pivot of the family's traditions and customs. Their deep attachment to the land and its produce is reflected in the touching gesture of christening old fig, almond and olive trees as if they were branches of the family. Quite naturally these people resisted all pressures to sell their land to anyone.

When the fear and panic that prevailed in Palestine in 1948 sent them running east, their main concern in their new abodes was to find ways to return to their land. That was not to be, and even their humble new home in Jericho had to be abandoned during the 1967 war.

It was from Jericho that I came to Europe in 1964 as a student. When the war erupted in June 1967, Jericho fell under occupation and my

family again had to flee. As soon as the war stopped I made every effort to secure my right to return to Jericho, which had been my family's refuge of nearly 20 years, or to Beit Nattif, our personal homeland.

In the process, I corresponded for several months with the Israeli Embassy in London, and through them with the immigration authorities in Jerusalem. When that failed, I wrote about our case in *The Times* of London in February 1972. Two years later an eminent Jewish professor of jurisprudence at Oxford University took the matter up with Shimon Peres, then Prime Minister. Golda Meir's adviser on Arab affairs, All was to no avail.

My father's most cherished wish before he died in 1982 was to be buried in Beit Nattif where he was born and our ancestors are buried.

Before 1947, shifts in power in Palestine had little bearing on my family. When the Ottoman empire crumbled and Palestine slipped under British rule after World War I, my family switched to paying their land levies to the British authorities. Ottoman land deeds and British receipts now decorate the walls of my study. They are still documents proving our ownership of a land that we neither sold nor wish to sell.

Mr. Tarbush, an investment banker and writer on Arab affairs, contributed this to the *International Herald Tribune*.

Union Skippers Tack Into a Middle-Class Future

By David S. Broder

WASHINGTON — The headlines speak of a miners' strike broken in Britain, and the U.S. Bureau of Labor Statistics puts out a report saying that union membership dropped below 20 percent of the labor force (to 18.8 percent) in 1984, continuing a steady downward trend.

It is an odd time to talk about a "new day" for the American union movement. Yet historians may see the winter of 1985 as a turning point. At the meeting of the AFL-CIO executive council in Bar Harbor, Maine, at the end of February, the labor leaders approved and issued a report entitled "The Changing Situation of Workers and Their Unions" that clearly suggests a shift of direction — an almost of fundamental attitude — for the labor movement.

The report has significance not

only for workers and employers but for anyone interested in the politics. For Americans my age, at least, it is impossible to imagine a strong current of liberal politics without a strong labor movement. As unions have declined in membership and political clout, so has the Democratic Party. If you believe labor is doomed to inevitable decline as the American economy shifts from heavily unionized manufacturing industries into the much less unionized service and communications and high-tech jobs, then you almost have to conclude that liberal politics and the Democratic Party are on a downward path.

For reasons clearly argued in an important article by James Fallows in the current issue of *The Atlantic* magazine, the sweep of American history, to say nothing of common sense, dictates that economic changes, no matter how disruptive to individuals and communities, should be accepted and welcomed as the real engines of opportunity and progress.

The union movement has been seen by many, including some of its allies in the Democratic Party and liberal politics, as fighting a rear-guard action against economic and social change — as being more worried about protecting past gains than helping its people prepare for the future. But the AFL-CIO report is a declaration by labor's leaders that they are ready to tackle that future. It is a remarkable document.

Starting with a blunt statement on the first page that "unions find themselves behind the pace of change," it documents the growing gap between the perceived positions of union leaders and the desires of the rapidly changing work force. It says that people "are less likely to see work as a straight economic transaction providing a means of survival and more likely to see it as a means of self-expression and self-development."

Candidly citing survey findings that most non-union workers think that union leaders force members to accept decisions they do not like, and that unions stifle individual initiative, fight change and increase the risk of companies going out of business, the report says:

"The labor movement must demonstrate that union representation is the best available means for working people to express their individuality on the job and their desire to control their own working lives, and that unions are democratic institutions controlled by their members . . .

"We have not been sufficiently successful on either score."

There are several dozen specific recommendations for experiments in organizing and representation techniques that unions have begun to discuss or put into place. The report is optimistic about the ability of unions to adapt. The reasons may surprise you as much as they did me.

The most important is that unions are middle-class institutions and are still a ticket to enter the middle class. Union workers earn a third more than non-union counterparts. They recruit best among the elements that are growing fastest in the work force, especially the better-educated.

Only 26 percent of union members (compared to 28 percent of the general population) lack a high school diploma. Some 21 percent (compared to 16 percent) have college degrees. If the future of work is in white-collar jobs, unions are well positioned. They already represent more white-collar than blue-collar workers.

As Thomas R. Donahue, AFL-CIO secretary-treasurer and head of the committee that prepared the report, pointed out in an interview, how successful the unions will be in organizing the new work force depends critically on the labor laws. Canada and the United States have similar economies but very different labor laws. In Canada, where the laws favor organizing, the percentage of the labor force in unions has grown from 30 to 40 in the last 20 years; in the United States it has gone the other way. That is one reason why the unions will stay in politics.

The Washington Post.

The writer is a job-training counselor for a government agency in San Bernardino County in Southern California. He contributed this to the *Los Angeles Times*.

An Election Can't Erase The Issues

By Flora Lewis

PARIS — The American presidential election is indeed over. But instead of calming the atmosphere to pay attention to substance, the aftermath seems to be drawing the ideological line ever tighter.

I have run into a number of cases lately. The following letter from Evan G. Galbraith, the U.S. ambassador to France, is a prime example. It is his answer to a column (IHT, Feb. 16) that criticized his performance as a diplomat and his attack on the Foreign Service for lacking "guts." Mr. Galbraith had said that the State Department "has too big a role to play in foreign policy," suggesting that political ambassadors do better.

He wrote: "Dear Flora, 'Ah, come on. Don't be such a sore loser. It's all over. You and the other liberal spokesmen are no longer the mainstream.' In other words, you have had it. I know you don't like Ronald Reagan, low taxes, spending cuts, large defense budgets, reduced government, being beastly to Communists, and defending ourselves against Soviet missiles, and it's no surprise you don't approve of me. But the American people have rejected liberalism and liberal leaders, and if you put up another one in 1988, he, too, will be wiped out. I kind of think it will take another massive defeat in 1988 before you see the light, but when you do, just remember: We will always have room for another repentant sinner, especially one who can write. There will still be lots to do."

"Festively yours, [signed] Van

"P.S. Your ethics are showing a bit. Putting quotes around things I did not say is just not done. You might put that, too, on your list of things to repent."

The postscript presumably refers to two quotes in the column that the ambassador ordered the embassy press attaché to ask me about. One was a remark he made on French radio. The other was an answer he gave me when I had asked him a question. Apparently, to use his term, he prefers forgetting to repenting.

The flip tone barely veils a remarkable attitude to political debate, and to the American process. Mr. Galbraith seems to be arguing that the reelection of President Reagan settled the issues and there is nothing more to discuss about American policy.

Worse, he presumes that by passing on the label of liberal, he can deduce people's approach to all kinds of complex issues. The content of the grab bag matters less than a flimsy test of tone and color. Polishing the debate on technical and difficult matters of foreign policy and defense in this way leaves no room for analysis, although that should be part of an ambassador's job. A view of disagreement as sinful is not a helpful way to promote U.S. interests abroad.

But Mr. Galbraith has said that diplomacy should consist of "really pushing the president's policies" in public. That is where he claims professional diplomats are short on guts.

He complained that his remark, which brought him a public rebuke from Secretary of State George Shultz, was taken out of context to imply a lack of physical courage.

What he meant, he said, referred to what former Undersecretary of State Lawrence Eagleburger described as a tendency to repress imagination in the Foreign Service. Mr. Galbraith, called columnist William F. Buckley Jr. in an article as article in his defense (IHT, Feb. 23) citing Mr. Eagleburger on the virtue of talking back and ruffling feathers.

There is something perverse in talking over the head of Mr. Eagleburger on this. He offered his reflections in an interview with the *Foreign Service Journal* when he had resigned after a distinguished 27-year career. He said explicitly that by "guts" in the Foreign Service he meant "the willingness to tell your bosses that you think they're wrong — and why . . ."

The point was to encourage career officers to contradict their superiors if they had a good case, and then to press the official decision. That is quite different from Mr. Galbraith's tucking off his staff for not echoing their ambassador's views abroad with sufficient verve and resonance.

Having failed to obtain a senior post in Washington, Mr. Galbraith has announced plans to return to private life and political activity this summer. So his undiplomatic conduct will not matter much longer. But it does matter that the official discourse on foreign policy be rescued from an ideological shouting match. The United States has too much at stake to reduce the issues to labels.

The New York Times.

LETTER

'The American Ideology'

After reading John Vinocur's report "Galbraith Denies U.S. Career Diplomats as 'Threat'" (Feb. 14), I was reminded of a note I had written to myself on U.S. election night. I have found it, and it reads:

"As I watch the U.S. election coverage on French television, it confirms my recurring sentiment that so many of our Foreign Service people are too 'Europeanized.' Required to function peacefully in a foreign environment, they are strongly influenced by European thinking. It is normal that they be sensitive to European views. However, being professional diplomats and service people, they have a duty to represent and reinforce the American ideology under the existing regime."

As eyes are on the United States for guidance, it is of utmost importance that its representative support and reinforce U.S. ideology, whether it suits their personal views or not.

S. TREFINGER, Monte Carlo.

UPK10150

ARTS / LEISURE

Johanna Ey, Düsseldorf's 'Mother Courage of Modernism'

By David Galloway

DÜSSELDORF — Poets hymned her corpulent charms, while painters delighted in portraying her as a Spanish dancer or an aging oedipus. In the turbulent years following the Treaty of Versailles, she became the Mother Courage of Modernism — muse and patron for a new generation of artist-survivors who believed in a rebirth of talent and freedom out of the ruins of war.

Unlike Gertrude Stein, who provided a similar focus for the Parisian avant-garde, Johanna Ey seemed triumphantly ill-equipped for her pioneering task. At the age of 46 she was living in a country village on the lower Rhine with an alcoholic husband and four small children. Eight other children had died in infancy. Her husband, a brewer, beat her regularly, like her drunken father before him.

The battered wife made her bid for freedom in 1910, when she opened a bakery in Düsseldorf's old town. Local merchants wagged their tongues at her, but she would not survive a month with her peasant-style cakes, sandwiches, pickled herrings and sausages. Polite housewives, scandalized that the plump proprietress did her own serving, gave the shop a wide berth.

That left the path open to the nearby art academy. Quick to sniff out edible bargains, students and their professors became regular clients. Frau Ey added hearty lunches and supper to her repertoire, served her favorites generous bracers of schnapps, and was known to give credit. Her guests

often lingered for hours, debating their "isms" of the day, while "Mutter Ey" sat nearby, knitting.

When I brought an abrupt end to the "isms" of the day, Mutter Ey struggled to support her own children by sewing uniforms. Then, in desperation, she turned to the pictures left behind by artists to balance their accounts. Surprised by the ease with which the first were sold, she prudently raised prices on the remaining stock.

The end of the war found the baker-gallerist installed in spacious new quarters, where she regularly showed the traditional "School of Düsseldorf." Then the young Turks came marching home, scared by their initiation into full faith in a new democratic era. Calling them "The Young Rhinelanders," they issued a call to artists who sought a reform of the antiquated stereotypes of painting and sculpture.

Such vague utopianism allowed for the widest range of styles, as their first exhibition in 1919 made confusingly apparent through the contributions of 113 artists. But the seeming inconsistency was a measure of the creative ferment that marked the Weimar Republic. The Düsseldorf Kunsthalle has now documented that era in an exhibition entitled "In the Beginning: The Young Rhinelanders."

Many of the experiments presented here a mostly provincial air, the real Modernist victories were being recorded in Munich and Berlin. But despite the local patriotism of its bannerhead, the Young

Rhineland group was never restricted to artists of the region. George Grosz and Max Beckmann were exhibited, and Paul Klee drifted into their orbit.

As euphoria waned, splinter groups formed within the fledgling movement, manifestos provoked countermanifestos and secessionists proclaimed aesthetic purges. When the painterly avant-garde threatened, Mutter Ey became figurehead, mascot and simple figure.

In 1918, a returning artist, Otto Dix, and his 19-year-old student, Otto Schenk, showed her the horrors of the war, and she displayed them in her window. Within hours the street was filled with mocking crowds, and Mutter Ey had found her calling. She ordered a sign that ran across the shopfront: "New Art. Frau Ey."

When Pankok and Wolheim showed their galleries, the invited Otto Dix to Düsseldorf. Within hours of his arrival with a battered portfolio under his arm, he had stuffed him full of sweets and was darning a hole in the seat of his trousers. She presented the shy guest to collectors, arranged commissions and brought several paintings in for her collection.

In the same year, 1921, she arranged the first German exhibition for Max Ernst. Unfazed by the show's hostile reception, she stuck to her unadorned faith that "the pictures are good!" When Ernst and his friend Paul Eluard spoke about an Asian journey, the galler-

ist took out a bank loan to finance their trip. Ernst signed over all his existing work, but she could sell only a single picture and gave the rest away to friends. "They must be seen," she insisted.

Her faith was the more remarkable in light of diary entries that reveal how disturbed she was by her protégés' surrealist visions. They awakened tormented memories of a battered childhood and marriage, and of her periodic lapses into alcoholic oblivion. Her formula for adjusting to a difficult new work was always the same: she hung it over her bed and then often slept on the sofa until she felt ready to confront the experience. Once she could settle down to sleep beneath the disturbing image, she had mastered it.

Germany's most resolutely progressive gallerist, Frau Ey presided over the blighted past and the faith

leather change purse of her coffee-shop past pinned beneath her skirts. An honorary citizen of Düsseldorf and a conspicuous living legend, at age 68 she even became the star attraction of a vaudeville revue. While the orchestra blared "The March of the Gladiators," seven artists accompanied their model from her box at the Apollo Theater. To thundering applause she reclined at stage center and was painted by her loyal followers.

Not surprisingly, the apple-checked image of Johanna Ey appears at regular intervals in the Kunsthalle's reprise of "The Young Rhinelanders." Laughing, dancing, sprawling in various states of dress and undress, she seems, perhaps, an unlikely symbol of artistic revolution. But her life combined the naïveté and hope and suffering and zest, the blighted past and the faith

in a limitless future, that marked, as well, the younger generation in which she believed.

She also shared their fate. Returning from Mallorca in 1933, she found obscenities smeared across her shop window. Nazi officials confiscated her stock and evicted her from the building that had been consigned to her "in perpetuity" three years before. She survived a second world war but did not live to sample Konrad Adenauer's *Wirtschaftswunder*. The final request she made of her adopted city was read at her graveside in 1947: She hoped a street in Düsseldorf's old town might someday carry her name.

It runs behind the Kunsthalle, where her "boys" and their achievements are being honored. "Am Anfang: Das Junge Rheinland," Düsseldorf Kunsthalle, through April 8.

Show of Matisse Drawings Illustrates The Master Draftsman's Other Side

By John J.

NEW YORK — That Henri Matisse, the most seductive draftsman who ever lived, is also a draftsman who is well known to anyone who has seen his work, is a fact that is rarely appreciated. The Matisse exhibition at the Museum of Modern Art, which opens on March 14, turns up for sale here, there and everywhere.

Those drawings have, as he wished them to have, "the lightness and joyousness of a springtime that never lets anyone suspect how much hard work has gone into it." The pretty young women, dressed or undressed, the Mediterranean fruit fresh from the tree, the flowers we never get to buy in the stores—all these were rendered by Matisse with a sovereign dexterity that makes them among the most immediately coverable of European drawings.

There is, therefore, no doubt that "The Drawings of Henri Matisse," now at the Museum of Modern Art, will attract a large public. But the Matisse in this anthology of 152 drawings is not the Matisse most often seen in the market. He is a toilsome Matisse, a rumormongering Matisse, a monumental Matisse, and one who made mistakes and began over again. Nor are the drawings—with one or two exceptions—the byproduct of a sunny afternoon beside a southern sea when the model had nothing much else to do and agreed to stay on. They speak, on the contrary, for drawing as one of the most demanding human activities.

The drawings were chosen by the English art historian John Gillingham and cataloged by John Elderfield, director of the department of drawings at the Museum of Modern Art, and his assistant curator, Magdalena Dabrowski. The exhibition, in collaboration with the Arts Council of Britain, addresses the many-sided giant who excelled as much in sculpture as in painting, as much in printmaking as in drawing, as much in mural decoration as in the illustrated book. The choice in general is toward the big (sometimes the very big), the difficult and the august.

Finer drawings of their kind would be hard to find than "Bowl of Grapes" (1915), "Head of Antoinette" (1919), "Reclining Nude Seen From the Back" (1938), the trenchant "Portrait of Dancer (The Buddha)" (1939) and the synoptic "Model in the Studio" (1948). In every one Matisse was pushing himself a little farther, and in quite a different way, than he had before.

It was a good idea to include portraits of some of the people—among them the Russian collector Sergei Shchukin; Sarah Stein, the sister-in-law of Gertrude Stein; and Dr. Charbel Cote from Baltimore—who were important to Matisse as foreign patrons and

friends. But Gillingham has also made sure that we remember that Matisse lives in history not as a lord of cultivated living but as a maker of masterpieces. "Dance," the "Bonheur de Vivre" in the Barnes Collection, the Philadelphia portrait of Yvonne Landberg, the "Still Life After De Heem" in the Modern Art Museum of Baltimore, the "Seated Figure on a Stool" in the collection of the Pompidou Center in Paris, and the series of four sculptures there on the form of the female back.

Some of the echoes here of these works take the form of drawings, sometimes they come in the form of sculpture. For instance, five drawings of Brazilian whom Matisse strongly characterized young drawings of his grandchild, the pose. There are 10 St. Paul-de-Vence studies, Jacqueline Monnier, progressive withdrawal from "an only marvel at the stunted detail."

There are tours de force of drawing, as well as of sculpture, that reflect back and forth. The drawing of hands based on a 16th-century artist and Altarpiece by Matthias Grünewald, and in an act of homage to a great painter of the 16th century, Matisse is little drawings that we long to put to rest. There studies that seem to speak for anxious impetuous.

The exhibition is also very good on the staid stops that marked Matisse's early years as a painter. As a student in his early 20s, he could produce a classroom drawing of an elderly male model that has a seraphic distinction of touch and yet spurs us none of the dilapidations of age. Degas could have been guiding his hand at that point. Within the next year or two he was to thrash around in search of the idiom that would be his alone, and when in 1899-1900 he came to draw himself and his new wife, the result was more eloquent of the sheer labor of drawing than of conjugal fulfillment.

It is the particular strength of the present show that we can watch Matisse as he gradually annexes one territory after another. Once out of the classroom (in which that archetypal mediocrity, Adolphe William Bouguereau, had said to him, "Matisse, you will never learn to draw"), he roved as a free man. There was hardly a day of drawing or an effective instrument that he did not put to use.

The show, seen earlier in London, can be viewed in New York through May 14.

Portrait of Johanna Ey by Otto Dix (detail), 1924.

Unusual Sale of Ancient Glass Draws High Interest, Prices

International Herald Tribune

LONDON — The sale of ancient glass at Christie's Tuesday and Wednesday was one of the most extraordinary performances on the market scene in the past 20 years.

LOUREN MELIKIAN

Never before has a group of ancient glass works of the second millennium appeared at auction, and so many vessels in the so-called "ancient glass" technique, Sydney M.

Wheeler, associate director of the Louvre Museum, wrote a preface to the catalog full of praise for collector, Ernest Koller-Trumiger, of Lucerne. Even more unusual was the sequence of events that brought about the auction.

Koller-Trumiger is one of the most discerning collectors of this century, with the uncommon ability to buy the finest in Persian miniatures, in Syrian pottery, in Gothic enamel and ivories, in ancient Egyptian glass.

In the early 1970s, after three

decades of collecting, he started parting with his possessions. Some of his finest Persian miniatures are now the pride of the Edmund de Ungere collection in London. Two of the best Syrian vases found their way to the Jasm al-Humayzi collection in Kuwait. Glass was the last to go. As late as 1981, virtually his entire collection of glass was shown in "3,000 Years of Glass From Ancient Times to Art Nouveau" at the Kunstmuseum in Lucerne.

Two years later, Koller-Trumiger decided to part with the glass. He approached a Middle Eastern dealer to whom he had promised the first option many years earlier. The dealer was thrilled by the Islamic wares, but the collector wanted a single deal, which meant a huge investment. The dealer agreed, and decided to tackle the two problems separately. The market for Islamic glass is narrow. The dealer went to the most and perhaps only plausible buyer, one who could appreciate the artistic value of the collection and had the resources to back

up this appreciation: Sheikh Nasser Sabah al-Ahmad al-Sabah, of the ruling family of Kuwait.

On seeing the superb ninth-century glass from Iran and the enamel vessels from 13th-century Syria, the Arab connoisseur was enthusiastic. So was Koller-Trumiger, at the idea of his Islamic collection going as a whole to a museum: it is now part of the Sabah collection on loan to the Dar al-Athar al-Islamiyya in Kuwait, part of the national museum.

The problem of the ancient glass was different. The market is wider, with several institutions and collectors actively buying. Given Koller-Trumiger's reputation and the difficulty of estimating prices on some items never seen in the market, an auction seemed indicated.

For this, the dealer needed time. Sheikh Nasser helped him get backing from a Middle Eastern bank. The collection was bought, and the Islamic art channelled to Kuwait. Then it was decided to sell the ancient glass through Christie's.

The auction house's first asset was its expert in charge of antiquities, Christine Insley. An Egyptologist holding a bachelor of arts degree with honors from Cambridge University, she worked in the Fitzwilliam Museum before joining Christie's. She enjoys a reputation for straightforwardness—useful in the suspicious world of the auction trade.

One condition for the undertaking was that the dealer's identity not be disclosed. Another condition for success, the most important, was a good marketing campaign. Here Christie's outdid itself. The catalog was brilliantly produced, with photographs that made countless pieces look big and bright when many were tiny and had lost their original luster. In an art-market first, videotapes were sent to foreign countries. Viewings were organized from Los Angeles to Tokyo.

If very small pieces, such as a bottle with white relief figures on a deep blue ground, only 7.6 centimeters (3 inches) high, had not been shown in such admirable detail, they might never have reached the phenomenal level they did: the £34,000 (\$54,000) paid for the bottle, a record for ancient glass, is extravagant even for an object that is very fine and full of mystery (it appears to illustrate some Egyptian cult in Roman times, about 25 B.C. to A.D. 25, and bears some indecipherable hieroglyphs) but imperfectly preserved.

The press publicity was superbly orchestrated. The London news media responded to Christie's press releases like tap dancers to music. A long illustrated piece came out in the French monthly

Connaissances des Arts, marveling at the extraordinary prices that might be fetched by the exquisite little things. While buyers who go after excavated glass tend to be more sophisticated than most, such publicity creates a climate that will influence even the most hardened old-timer. Jerome Eisenberg, New York, who bought a lot and missed more, said he paid on average 30 to 40 percent more than what he had anticipated.

The attendance was impressive. Almost every museum of consequence was represented, starting with the Corning Museum of Glass at the top, which sent David Whitehouse, virtually every dealer active in antiquities was there, whether from London—Robin Symes, bidding in person, bagged the record cameo piece—Paris or Frankfurt. As a result, Christie's managed to sell most of the rarities at thumping prices while also working wonders with the more commonplace objects.

Egyptian glass of the 18th dynasty from Amarna made the highest prices, except for the cameo flask, which belongs to the Roman period. A vase some centimeters high with yellow and white festoons on greyish-blue ground went for £91,000. Symes paid £86,400 for a tiny turquoise-colored head originally used as furniture inlay. An Arab bank paid £237,600 the rarest piece, an Amarna kohl flask shaped as a palm column, intact with yellow and white marvered, or rolled-glass, trails on the turquoise

ground. Experts, including Insley, who spent years in Cairo and is well-acquainted with the Cairo Museum collections, said the piece was unmatched anywhere in collections of Egyptian art.

It was more surprising to see pieces not quite so unobtainable sold to unprecedented levels. A flask shaped as the head of a youth, described as "eastern Mediterranean and probably Syrian," went for £102,600 to the Mansur Gallery of London, which owned a Japanese dealer. This at least can be characterized as a perfect specimen. But no such justification can be found for a "fish flask," with part of the tail and the side fin missing, which sold for £20,152 after a heated contest involving the Safavi Gallery of New York, a Japanese dealer and the Haji Babi Gallery of London, which captured the piece.

Some categories can be considered to have been lifted to new levels—bowls in the so-called mosaic technique, of which one made £42,300 and another £41,040. Hitherto neglected types went through the roof: a translucent bowl from France, of the 1st century B.C., with very little iridescence left, sold for £45,360—"six times the New York resale price," Eisenberg said. Overall, the sale netted £2.3 million, making it a good day for the Middle Eastern dealer; his supporter, Sheikh Nasser, and Christie's, of which one of Sheikh Nasser's companies holds 10 percent of the shares.

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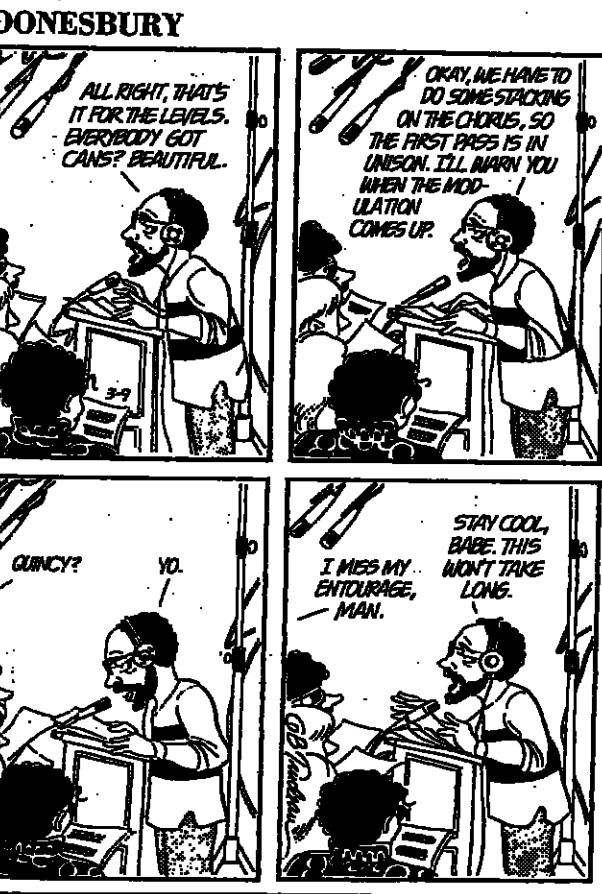
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"POSH" VERSUS "GOSH"

TO THE EDITOR OF THE TRIBUNE.

Sir,—The origin of the acronym POSH is widely known. Coined by the Victorians from the initials of the phrase *Port Out, Starboard Home* it got its present meaning from the fact that these were the cooler and more comfortable—hence more select—sides of the ship on which to travel to and from India.

However I have long felt there was something amiss with this sentiment.

It seemed to me that no true Victorian gentleman or lady would ever feel entirely at home aboard a ship that only served port as a refreshment. Especially when that ship was bound for the land of quinine and tonic water.

So backing my hunch, I have spent many years researching intensely into that era.

I am now pleased to be able to publish the results of my enquiries.

It is apparent that shortly after the discovery of Bombay, POSH was superseded by GOSH, as in 'Gosh, I could do with a drink!' or 'Gosh! That's smooth!'

Perhaps I should make clear that the BOMBAY I am referring to is, of course, the GIN.

It is a particularly fine gin with a delicate bouquet that is imparted by the botanicals used in its manufacture.

As it is claimed, it is indeed BOMBAY GIN's unique distillation that keeps one amused.

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Symbol	High	Low	Open	Close	Change
IBM	127.00	126.00	126.50	126.50	+1.00
AT&T	54.00	53.00	53.50	53.50	+1.00
GE	34.00	33.00	33.50	33.50	+1.00
AMT	24.00	23.00	23.50	23.50	+1.00
...

Dow Jones Averages					
Index	Open	High	Low	Close	Change
Indus	1270.00	1280.00	1260.00	1270.00	+10.00
Trans	1100.00	1110.00	1090.00	1100.00	+10.00
Comp	2700.00	2710.00	2690.00	2700.00	+10.00

NYSE Index					
Index	Open	High	Low	Close	Change
NYSE	1270.00	1280.00	1260.00	1270.00	+10.00
...

Friday's NYSE Closing					
Index	Open	High	Low	Close	Change
NYSE	1270.00	1280.00	1260.00	1270.00	+10.00
...

AMEX Diaries					
Index	Open	High	Low	Close	Change
AMEX	1270.00	1280.00	1260.00	1270.00	+10.00
...

NASDAQ Index					
Index	Open	High	Low	Close	Change
NASDAQ	1270.00	1280.00	1260.00	1270.00	+10.00
...

AMEX Most Actives					
Symbol	High	Low	Open	Close	Change
IBM	127.00	126.00	126.50	126.50	+1.00
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...

NYSE Diaries					
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NYSE	1270.00	1280.00	1260.00	1270.00	+10.00
...

NYSE Falls in Lighter Trading

NEW YORK — The New York Stock Exchange closed out its worst week so far in 1985 with another decline in slackened trading Friday.

Except for a few financial issues, stock prices showed no response to a sharp drop in open-market interest rates.

The Dow Jones average of 30 industrials slipped 1.87 to 1,269.66, extending its loss for the week to 29.70 points.

That was the average's biggest weekly decline since it tumbled 31.36 points last Nov. 29, when the Treasury was showing its deepwater reform proposal.

Volume on the New York Stock Exchange fell off to 96.3 million shares, a rate that has been analysts' rising stock prices lower in the market. On a bond and short-term money market, however, rates turned upward.

Short-term Treasury bills fell about 1/8 point, or hundredths of a percentage point. Prices of long-term government bonds, on the other hand, moved in the opposite direction from interest rates, rose more than \$10 for every \$1,000 in face value.

Brokers also said some traders were shopping for "bargains" in the stock market, with the Dow Jones industrial average having closed Thursday at a six-week low, but their buying did not stir up much other activity.

Some financial issues rose, responding to the rally in the credit markets. The average of 10 loan sector, H.F. Ahlstrom, was up 1 1/2 at 29 1/2; Golden West Financial, at 26 1/4; Great American First Savings, at 14 1/4; and Great Western Financial, at 14 1/4.

Commercial Business Machines dropped 1/2 to 12 1/2. The company said sales and demand for its personal computer "are strong across the entire line."

Among other computer and technology issues, Digital Equipment lost 1 1/4 to 104 1/4; Hewlett-Packard, 1/4 to 35 1/4; Data General, 1/4 to 30 1/4; and Computerworld, 1/4 to 3 1/4.

Smithline-Beckman fell 3/4 to 58 1/4. The drop was attributed to an article in a Japanese newspaper about a study of ulcer drugs, including Tagamet, which is produced by Smithline.

In the daily tally on the Big Board, about four stocks fell in price for every three that advanced.

Nationwide turnover in NYSE-listed issues, including trades in those stocks on regional exchanges and in the over-the-counter market, totaled 122.24 million shares.

In the economic news, the Labor Department reported that the civilian unemployment rate declined 0.1 percent in February, to 7.3 percent. A drop had been widely expected on Wall Street.

The ValueLine index fell 0.49 to 195.65 and futures contracts were down 0.20 to 195.10. The S & P 500 index was off 0.41 to 179.10. The NYSE financial index fell 0.08 to 107.62.

Standard & Poor's Index					
Index	Open	High	Low	Close	Change
S&P 500	179.00	180.00	178.00	179.00	-1.00
...

Dow Jones Bond Averages					
Index	Open	High	Low	Close	Change
Bond	1270.00	1280.00	1260.00	1270.00	+10.00
...

AMEX Stock Index					
Index	Open	High	Low	Close	Change
AMEX	1270.00	1280.00	1260.00	1270.00	+10.00
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Question
States Political
Election Year

Government Policy
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(Continued on Page 18)

IVORY COAST

A SPECIAL REPORT

SATURDAY-SUNDAY, MARCH 9-10, 1985

Page 7

Succession Question Dominates Politics in an Election Year

ABIDJAN — With national elections scheduled for sometime next year, Ivory Coast is gearing up what promises to be a year of change. In 1980, Félix Houphouët-Boigny was re-elected president for a fourth time, with 99.99 percent of the vote. Following his victory, he promised that he would run for election in 1985 along with a vice presidential candidate who would, by virtue of his election, become president's constitutional successor.

Before the 1980 elections, the national Assembly president, Phil-Yao, had long enjoyed the role of No. 2 political leader. Then the president sidelined Mr. Yao amid rumors of bitter political fighting. Mr. Yao's removal was a modification of the country's constitution, stipulating that an as-yet-undefined vice president would assume power in the president's absence.

Mr. Houphouët-Boigny further consolidated his hold on national politics by taking over from Mr. Yao the leadership of the country's sole political party, the Democratic Party of Ivory Coast, or PDCI.

For the last five years Ivory Coast has been in what many have described as a political vacuum. With the 79-year-old president refusing to name his successor before the 1985 elections, political observers can only speculate. As the elections draw nearer there have been increasing signs of political tension. Senior members of the PDCI regularly vie for prominence in the state-owned national press in seemingly attempts to outdo one another, raising the "Father of the Nation" title attempting to strengthen their own political followings.

Meanwhile, the president has carefully avoided giving any hint of favoring any of the handful of ministers who are viewed as serious potential candidates. Conventional wisdom would support the selection of one of the government's five senior ministers. Known as ministers of state, they have no specific portfolios. They are said to have had supervisory powers over the work of the government.

Of these five men, Mathieu Ekra, a miller, and Maurice Seri, a cocoa trader, are the most frequently mentioned in Abidjan's lively political-mill. The other two are Auguste Denise and Emile Kégué. But some observers doubt that the president will select one of the younger ministers, as would not run the risk of being seen as a transition figure. Given Houphouët-Boigny's reputation for confounding political analysts, he could conceivably choose a horse from outside the government.

With an important party congress and national council meetings expected in coming weeks, recent speculation has been that the president, despite his age and frailty, will refuse to name a successor publicly; it is said that a chief of the president's Baoule tribe will do so.

Mr. Houphouët-Boigny has dominated politics in Ivory Coast for almost 40 years with a style of authoritarianism and paternalism. He has shown a talent for co-opting potential rivals and imposing his will on the nation. His skill swayed De Gaulle to describe him

as "a political mind of the first order."

In 1944, Mr. Houphouët-Boigny helped create the Syndicat Agricole Africain, a precursor of the PDCI, which was created two years later. His prestige was greatly enhanced in 1945, when he was elected to the French Constituent Assembly, where he was to rapidly consolidate ties between his newly formed party and the opposition French Communist Party.

Despite his early alliance with the French Communists, Mr. Houphouët-Boigny's domestic support came from large Ivorian landowners. This partly explains why agriculture has always played such an important role in the country's development. In 1950, Mr. Houphouët-Boigny broke with the French Communists, rebuilding his reputation as a solid conservative and staunch ally of the West, a reputation supported by the record of his participation in successive French governments and by 25 years as president of Ivory Coast.

Since the mid-1960s, Ivory Coast has often been called Africa's economic miracle. During its first two decades of independence, the country's gross domestic product grew more than 6 percent a year, giving Ivorians one of the highest per capita incomes in Africa. Ivory Coast's growth and political stability have been inextricably linked. The country's economic successes, long based on a seemingly infinite capacity for increasing agricultural production, have allowed the government to judiciously distribute financial rewards and privileges, helping create a middle class that is large by African standards.

Another key element in the country's rapid growth has been the unimpaired use of French technical assistance. By 1980, the French community had grown to nearly 60,000 (in a country of nine million), and French people held posts in every conceivable area, from primary school teachers to ministerial advisers. This large French presence has had an undeniable role in making Ivory Coast's reputation as a country where things work.

Since the beginning of the 1980s, however, things have not gone well for Ivory Coast. Hopes that the country would soon become an oil exporter were dashed; prices for the country's principal cash crops, cocoa and coffee, collapsed; the U.S. dollar, in which about half the country's debt is denominated, has more than doubled in value against the Ivorian franc; and two years of insufficient rain hurt agriculture and hydroelectric energy.

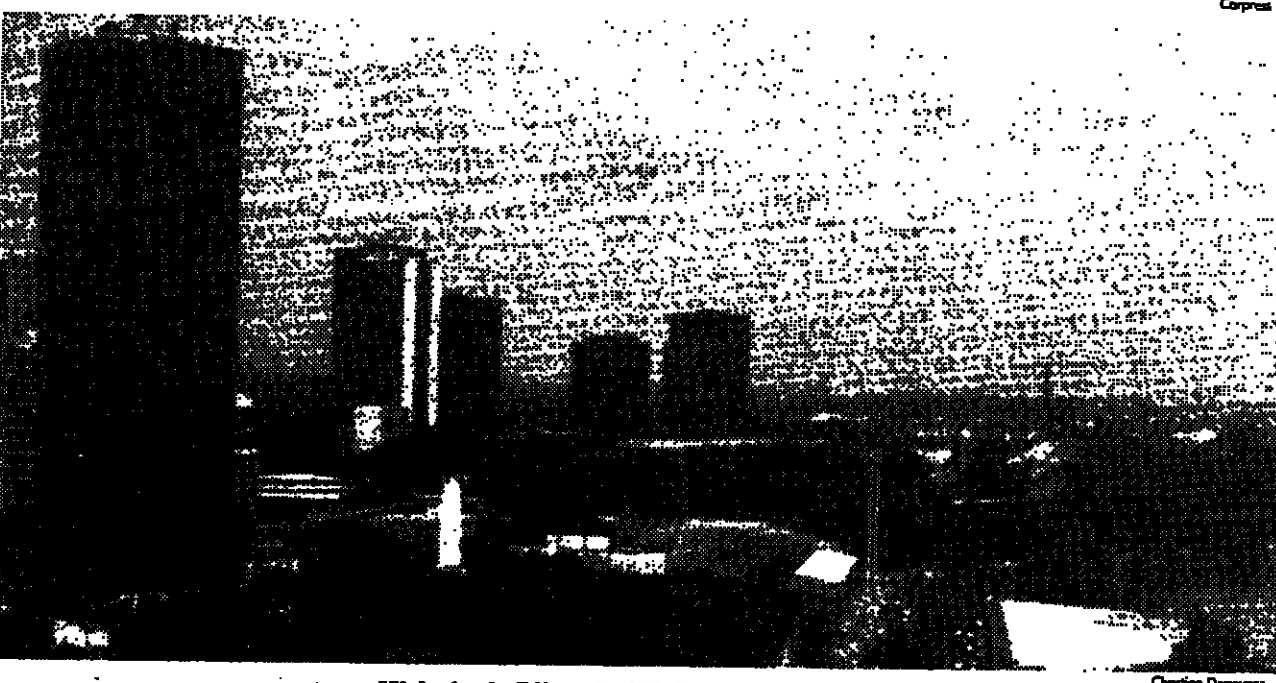
These factors have led the government to reduce reliance on costly French assistance, to save on salaries and employ more of the growing numbers of restless young Ivorians recently graduated from the country's schools. It remains to be seen what effect the sudden departure of hundreds of French technical assistants will have on the running of the economy.

The reduction of the French presence in Ivory Coast is part of a larger program of economic reforms, which aims at curtailing growth in government spending and improving management of the

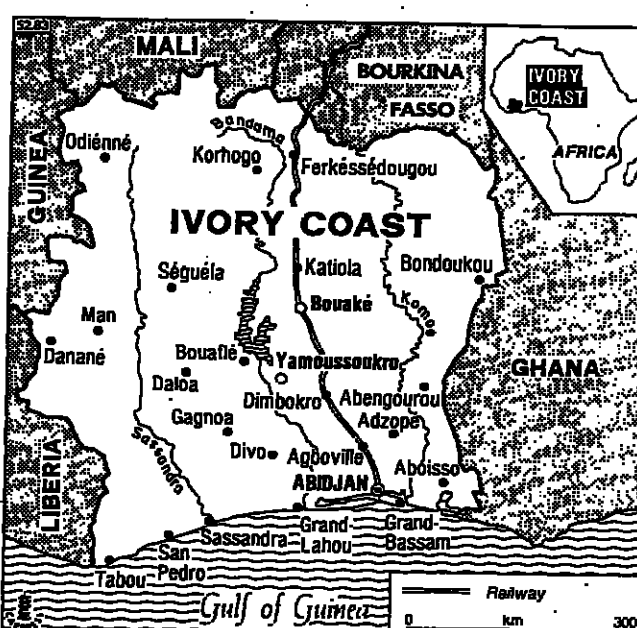
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Sculpture on an Abidjan esplanade.



High-rise buildings in Abidjan's central district.



Offshore Natural Gas Reserves Offer Hope for Next Decade's Energy Supplies

By Howard Schissel

PARIS — Having virtually achieved self-sufficiency in crude oil production, Ivory Coast is now seeking to tap offshore natural gas reserves in a drive to assure its energy supplies into the 1990s.

Severe drought last year resulted in the temporary closure of most of the country's hydroelectric plants, as well as power cuts, rationing and a general slowdown in the pace of economic activities.

This led to a reappraisal of Ivory Coast's energy strategy and a call for diversification away from almost exclusive dependence on hydro-generated power, which accounts for about 90 percent of the country's capacity for electricity production.

Plans for a \$600-million hydroelectric station at Soubré, in the west-central part of the country, were postponed and could be permanently shelved if an agreement can be worked out to use nonassociated natural gas for electricity generation.

In the search for crude oil, the U.S. company Phillips Petroleum uncovered important gas resources with its three offshore exploration permits. The principal discovery, the Foxrot field, off the town of

Jacquerville, has estimated reserves of 90 billion cubic meters (3.15 trillion cubic feet).

Ivory Coast's total gas potential has been estimated at 150 billion cubic meters. Talk of building an export-oriented liquefied natural gas plant was abandoned after difficulties were encountered by Nigeria and Cameroon in getting LNG projects off the drawing boards.

Instead, attention was focused on domestic outlets for gas. As things now stand, demand for gas — about 600 million cubic meters a year — is judged insufficient to warrant such an expensive gas development program.

In an effort to substantially boost Ivory Coast's gas consumption, economic planners in Abidjan want to build a 300-megawatt gas-fired power station at Jacquerville. An ammonia plant using gas as a raw material has also been envisaged.

A major hitch is the price to be paid by Ivorian authorities for the gas. Phillips has made it clear that the price must provide an incentive to offset the high investment outlay needed. The Ivorians are seeking a low price so that the cost of gas-generated electric power could be competitive with other sources of

energy. Although exact figures are hard to obtain, it has been reported that Phillips is asking about five times as much as the government wants to pay.

Amid the difficult negotiations between Phillips and the government, the International Financial Corp., a World Bank affiliate, has been approached to provide financial assistance for the gas development program. The IFC has adopted a cautious approach, stressing that project assessment is still preliminary and that it is too early to make a financial decision.

Ivorian officials are pushing for a decision by early 1985. In the tug-of-war with Phillips they have an ace up their sleeve: The exploration permit covering the gas resources expires in mid-1985, putting pressure on the U.S. company to come to an acceptable compromise.

Hopes for a rapid rise in offshore oil production, initiated during the summer of 1980 when Esso brought on stream its Bélier field, have been abandoned. Nonetheless, Ivory Coast was practically covering its domestic consumption requirements of 1.5 million tons a year by the end of 1984.

Esso, operator in association with Royal/Dutch Shell and the

Ivorian state oil company, Société Nationale d'Opérations Pétrolières de Côte d'Ivoire, or Petroci, invested \$35 million in a gas-injection project on its small field, which is producing at the rate of 350,000 tons a year. Drilling around the Bélier structure has failed to yield additional reserves.

Esso has abandoned two of its three exploration permits. An exploration drilling campaign is scheduled next year on its remaining block, close to the maritime frontier with Ghana.

It was Phillips' discovery of the appropriately named Espoir ("hope") field that touched off rumors that Ivory Coast would become the hottest new exploration prospect in West and Central Africa and perhaps even had the potential of being a second Nigeria.

This optimism was short-lived, as the technical difficulties of the fragmented Espoir field, coupled with the high cost and problems associated with working in relatively deep water, came to light.

Phillips — operator on three permits in association with Italy's Agip, Sedco of the United States, and Petroci — has recently completed its sixth production well on

(Continued on Next Page)

Despite Debt, Progress Solid In Development

By Howard French

ABIDJAN — Ivory Coast has gained a brief breathing space on foreign debt, having recently rescheduled more than \$1 billion due to be paid in 1984 and 1985. The country's separate negotiations with the Paris and London clubs, which include Ivory Coast's public and private creditors, respectively, have attracted increased scrutiny, at home and abroad, of the defects in the economic model that led to a debt burden of more than \$7 billion for an underdeveloped country of nine million inhabitants.

Any objective analysis of Ivory Coast's debt problems should begin with a review of what has gone right in the country. One Western banker said: "I am continually amazed by the achievements here. With nothing but cash-crop agriculture and a hint of oil, this country has developed an infrastructure that can, in some respects, be compared to developed countries." In addition to its air, road and telecommunications networks, unparalleled in black Africa, major gains have been made in education, housing and, to a lesser degree, health.

Despite its reputation as a bastion of free-market capitalism, Ivory Coast's indigenous private sector has not been a major factor in the country's development. As an economist familiar with the country put it, "The state has been the basic instrument of capital accumulation and investment." The government has historically used its virtual monopoly of the export economy — which now consists primarily of cash crops — to finance the country's development.

Cash crops have always been the mainstay of the Ivorian economy; the country is among the world's largest cocoa and coffee producers. Under the stewardship of President Félix Houphouët-Boigny, Ivory Coast's steadily growing agricultural exports fueled a tenfold rise in the gross domestic product between 1960 and 1977. This record far outstripped achievements in neighboring states and attracted a steady influx of people in search of work from throughout the region.

In 1977, when cocoa prices peaked, the government began a broad array of development projects aimed at cashing in on the strong commodities market. Given the country's economic record, commercial banks were perhaps overly eager to grant financing. Contributing to the general euphoria was the president's announcement in October 1977 that Ivory Coast had sizable oil reserves and would soon become an exporter.

Between 1976 and 1978 Ivory Coast's investment budget quadrupled. During those heady days of the Ivorian "miracle," modern office buildings sprang up at a dizzying pace, filling in the already impressive skyline of Abidjan. Though the newfound prosperity touched most of the population, particularly through increased government investments in infrastructure, education and public services, the boom's effects were strongest in the capital.

Then cocoa and other commodity prices fell sharply. Oil production, furthermore, never ap-

proached the levels hoped for. By the end of the 1970s the country's financial commitments suddenly revealed themselves as overambitious. Expensive short-term loans began to mature in steadily increasing numbers.

The fall of commodity prices, and huge development projects such as the construction of a new capital at the president's birthplace, Yamoussoukro, exacted a steep cost that was aggravated by the global recession and high interest rates. Moreover, with nearly half the country's debt denominated in dollars, the rise of the U.S. currency's value against the Ivorian franc — to which the Ivorian franc is linked — has exacerbated the debt problem.

The rescheduling agreements, signed earlier this year, were made possible by the country's adherence to the economic prescriptions of the World Bank and the International Monetary Fund, which have become major creditors themselves while seeing through economic reforms that focus on reducing public spending, strengthening the role of the private sector, boosting food production and encouraging industrial exports.

One central change has been the raising of producer prices for crops. After several years of little or no producer price increases for most crops, at a time when consumer prices were steadily rising, the government has increased prices two years in a row. This is necessary to encourage production and improve rural living standards so as to halt the wholesale depopulation of the countryside.

Critics of Ivorian economic policy point out that while the government castigates "speculators" for their influence on commodity prices, the Ivorian government has remained the principal speculator with the country's agricultural revenues. During the cocoa boom of the late 1970s, world cocoa prices rose more than 740 percent while local producer prices increased about 20 percent. The government's custodianship of this windfall led to an accumulation of the imbalance between the rural and urban economies as the public sector rapidly grew and the cities absorbed an inordinate share of the country's budgets.

Along with other austerity measures, which include freezes on salaries and nonproductive investments, the government is having to reign in the unwieldy civil service, which, as in most African countries, is the country's largest employer. This is being done by freezing hiring, repatriating a large number of French technical assistants and weeding out defrauders and incompetent bureaucrats.

So far, though there has been an increase in social tension, the austerity measures have failed to produce any strong popular reaction. A reduction in housing subsidies for teachers last year, however, caused a strike that disturbed the placid veneer of national politics, making many observers wonder how much further the government can pursue its budget cuts.

A new investment code, replacing the original 1959 version, aims

(Continued on Next Page)

Government Policy on Immigrants Increases Ethnic Diversity as Well as Social Tensions

ABIDJAN — Like almost all African countries, Ivory Coast inherited arbitrary boundaries that throw together a large number of disparate ethnic groups.

As many as 60 distinct ethnic groups exist in this country of nine million, and sorting out the Ivorian tribal puzzle is rendered more complicated by the fact that all of the major groups originated in neighboring countries. The historical migrations that have gradually peopled this once sparsely populated country have been greatly stepped up, as groups from the entire region have taken advantage of modern transport to partake in the relative wealth of Ivory Coast.

Among the most important elements in the long political career of President Félix Houphouët-Boigny have been his handling of intertribal relations and his "open door" policy toward foreigners. Mr. Houphouët-Boigny is largely responsible for the presence of an estimated two million recent immigrants from Burkina Faso, formerly Upper Volta, and Mali, Guinea and Ghana.

In 1932 Ivory Coast's dependence on foreign labor was made more concrete when France fused onto the colony part of the neighboring northern territory of Upper Volta, so that northerners could more easily be brought in for forced labor on the vast plantations of the south.

As head of an association of African planters, the Syndicat Agricole Africain, Mr. Houphouët-Boigny began efforts to recruit im-

migrant workers in the mid-1940s. Since that time he has played a central role in shielding the large immigrant population from the xenophobia of the Ivorians, many of whom resent the large numbers of foreign job-seekers, and tend to blame the rising crime rate on foreigners.

A recent resurgence of anti-foreign sentiment has led many immigrants to fear that they will be forced out of the country under whatever government follows Mr. Houphouët-Boigny's.

Mr. Houphouët-Boigny was born into a family of minor nobility of the Baoule tribe, which is prevalent in south-central Ivory Coast. The Baoule are believed to be the largest single ethnic group in the country, making up an estimated 15 percent of the population.

While the president has skillfully catered to the sensitivities of the major ethnic groups, ensuring that each region is represented in his cabinet, many feel that the Baoule group has benefited disproportionately from his power. This has caused resentment among certain groups, which has led some observers to predict that Mr. Houphouët-Boigny will not select a Baoule as vice presidential candidate (and his presumed successor) for the 1985 national elections.

Each of the country's four largest "ethnic clusters" — the Akan, the Mande, the Krou and the Senoufo — have migrated or spilled over into the country from neighboring areas over a period of several hundred years. The

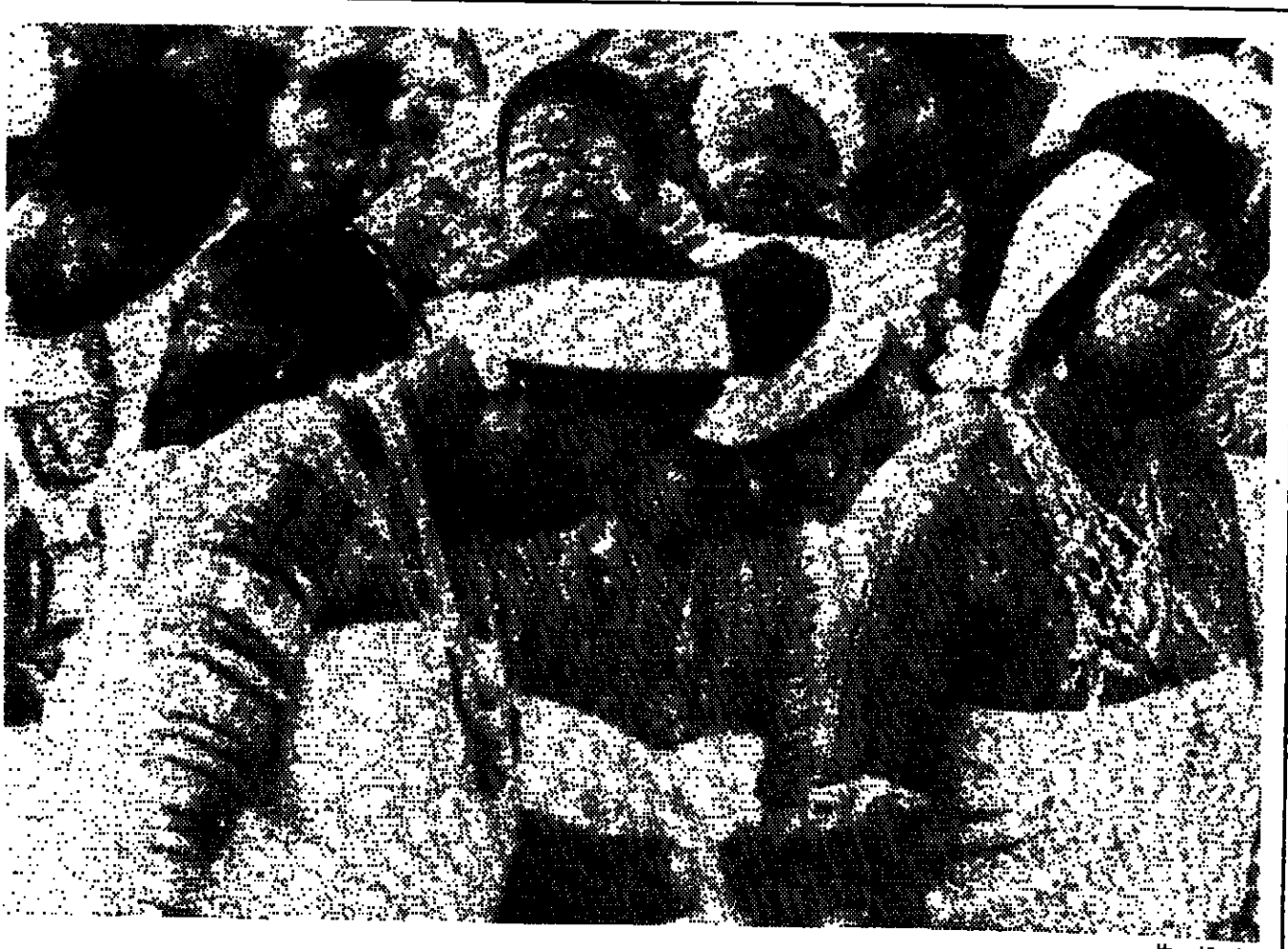
few ethnic groups known to have inhabited Ivory Coast long before these migrations, such as the Gbagbo, represent a small portion of the total population.

The Baoule, members of the Akan cluster, arrived in Ivory Coast in the early 18th century from Ghana. Legend has it that the founding queen of the Baoule tribe, Abla-Pokou, fled the royal Ashanti court of Ghana following an outbreak of violence in the area. The name Baoule means "the child is dead" and supposedly dates from the queen's sacrifice of her son, which enabled her family and servants to flee the Ashantis.

Some estimates put the population of the entire Akan group as high as 40 percent of the total population, which would make it the largest of the country's ethnic clusters. The Akan group has been far from cohesive in political matters, however, greatly reducing its importance as a coalition and obliging the powerful Baoule lobby in the government to carefully court the country's other ethnic groups. The second-largest Akan tribe, the Agni, has had particularly strained relations with the Baoule, dating from an Agni attempt at secession from Ivory Coast in the early 1960s.

The ethnic makeup of Ivory Coast's northern savanna has been somewhat obscured by the fact that, despite the ethnic diversity of the region, most of its inhabitants have come to be known as Dioula. Dioula is a Bambara word from Mali meaning "trader," but it is

(Continued on Next Page)



The annual cultural festival of the N'Zima people of southeast Ivory Coast.

Howard French

A SPECIAL REPORT ON IVORY COAST



Tribal costumes appear at the annual Independence Day celebrations.

Immigrant Policy Increases Ethnic Diversity, Tension

(Continued From Previous Page)

commonly applied to Ivory Coast's Moslem peoples and others who speak the regional lingua franca known by the same name. The two largest northern groups are the Mande and the Senoufo, who have strong cross-border ties with Mali and Bourkina Fasso, respectively. Though each of these groups is represented in government, the Mande people are better known for their commercial prowess, while the Senoufo have remained highly attached to the land.

The fourth major ethnic cluster is the Krou, which includes the Bete, variously described as the second- or third-largest tribe in the country. The Bete, like the Agni, have had periodically strained relations with the Baoule leadership.

A reconciliation between the Bete population of Gagnoa and the president was recently announced, when representatives of Gagnoa's Bete community were received by Mr. Houphouët-Boigny in Yamoussoukro. The Bete spokesmen reaffirmed their support for the president, alluding to a prominent Bete exile as an "errant son." Uneasy ties between the Bete of Gagnoa and the president date to the 1973 arrest of Gnagbe Kragbe, who was accused of engineering the cessation of much of the western region from Ivory Coast. The security sweep in which he and his supporters were arrested led to many deaths and the destruction of Bete property. Since then many Gagnoa residents have complained that their region has been deliberately neglected.

Efforts to ensure Bete support for the government have been stepped up in recent years with the promotion of a number of Betes to important political and military posts.

Speculation on the identity of the future vice presidential candidate has recently focused on a handful of prominent Bete politicians.

The drought that has afflicted the Agni and Baoule lands of the once-productive "cocoa belt" of southeastern Ivory Coast has caused large movements of people to the rich, moist and underexploited areas of the west, such as Man and Soubre.

— HOWARD FRENCH

Ivory Coast Foreign Relations Dominated By President and the Ties to France

By Richard Everett

ABIDJAN — Ivorian foreign relations, like other aspects of government policy, are dominated by two factors — the personality of President Félix Houphouët-Boigny and the influence of France.

The Ivorian president is seen by Western leaders as a man of dialogue and moderation. His foreign policy is pro-Western and he actively encourages foreign investment. Ivory Coast's well-developed economy and political stability have led many countries to make the country the focal point of their regional diplomacy.

All bilateral political relations, however, are overshadowed by Ivory Coast's relationship with France. Many countries are also concerned about who is to succeed Mr. Houphouët-Boigny.

France's presence in the country has increased since independence, with nearly 60,000 French citizens residing there by 1980. The French became integrally involved in the new nation, as technical assistants and as businessmen enjoying a rapidly expanding market.

Ivory Coast is part of the Communauté Financière Africaine, with currency linked to the French franc, and it has access to the European Community through France. The French government is the primary supplier of aid to Ivory Coast and the French private sector controls the majority of foreign businesses in the country.

In addition, Ivory Coast has a military agreement with France,

and a 500-man French battalion is stationed near the airport in Abidjan. In November, French troops held military maneuvers with the Ivorian armed forces.

Despite a recent reduction in technical assistance, political and economic ties between the two countries remain close and are expected to continue so. A senior French official said the two countries would remain "partners," adding that, "as Ivory Coast continues to develop, Franco-Ivorian relations will also grow."

France has a vested interest in a stable Ivory Coast, given its level of

involvement in the country, and the presence of French troops acts as an assurance of stability to other governments as well. French officials say the recent joint military maneuvers demonstrate France's commitment to Ivory Coast.

France's continued support for Ivory Coast has had its effect on Western countries. Most foreign diplomats say their countries' relations with Abidjan are good. They note, however, that there is little interest in increasing activities in the country. The current economic climate and the uncertainty of the succession issue have put the brakes on plans to substantially increase investments in Ivory Coast. Political observers note that many

countries are content to maintain the status quo and let France continue to be Ivory Coast's main beneficiary and trade partner, with all the responsibility the position entails.

A Belgian diplomat said his country, like other EC members, "tend to interact with Ivory Coast on a political level primarily at the United Nations, where the Ivorians support our positions on most issues."

Japan's ties with Ivory Coast are increasing steadily, despite the economic recession. Japanese officials say they see Abidjan as a key center for francophone West Africa. A Japanese businessman said: "Ivory Coast has the potential to be the region's Singapore by early next century."

Canada and the United States improved their relations with Abidjan following President Houphouët-Boigny's visit to North America in 1983. The Canadian ambassador, John Bell, said Canada's involvement was shifting "from development aid to industrial cooperation between the two countries' private sectors." He noted that a key aspect of their relationship was "Canada's ability to provide North American technology in the French language."

The U.S. ambassador, Robert Miller, said the Ivorian leader's visit with President Ronald Reagan "strengthened an already excellent state of relations." He added: "Our countries share many values, including those of elected governments and market-oriented economies."

Abidjan's relations with its neighbors have been more turbulent than those with the West. As one diplomat said: "Ivory Coast has one of the few civilian governments left in the region — all its neighbors have experienced revolution, coups and military governments."

Political observers said the Ivorian president was surprised by the sudden death of the Guinean leader, Ahmed Sékou-Touré, and the ensuing military coup last spring. The two "founding fathers" were allies in the pre-independence era. They later became bitter opponents, divided over which philosophy was best for African development; in the late 1970s, however, they became friends again.

After eulogizing Mr. Sékou-Touré, whose 26-year regime was swept away less than a week after he was buried, Mr. Houphouët-Boigny moved quickly to establish relations with the new regime. Guinea's military leaders have frequently consulted the Ivorian president on development matters. Relations with the young mili-

tary regimes in Ghana and Bourkina Fasso (formerly Upper Volta) have been strained in the last few years. Ghana's leader, Flight Lieutenant Jerry Rawlings, and Bourkina Fasso's head of state, Captain Thomas Sankara, have at times accused Abidjan of harboring "dissidents" planning to overthrow their governments.

The Ivorian leader has criticized Bourkina Fasso and Ghana's ties to Libya, which he sees as a subversive force in black Africa.

The two military leaders' professed desire for revolutionary change and regular denunciations

France's presence in the country has increased since independence, with nearly 60,000 French citizens residing there by 1980.

of imperialism and neocolonialism are at odds with the pro-capitalist policies of the Ivorian government. Relations with Ghana improved somewhat after a visit to Yamoussoukro, the new Ivorian capital, by Lieutenant Rawlings in 1983, and Ghana recently opened its borders, following an 18-month hiatus. Captain Sankara was to visit Ivory Coast earlier this year but the trip was suddenly canceled.

President Houphouët-Boigny's relations with Liberia and Malawi leaders are said to be improving, although their philosophies vary greatly from his. Mali's relationship with Ivory Coast is primarily an economic one as Abidjan is Mali's main access to the sea.

Ivory Coast exerts an influence in the region, with its economic weight and stability. Mr. Houphouët-Boigny was a founder and generally acknowledged sage of the Communauté Economique d'Afrique Occidentale and the Entente Council (Ivory Coast, Togo, Bénin, Bourkina Fasso and Niger), which he created in 1959.

Despite the polite respect offered to Mr. Houphouët-Boigny as the elder statesman of the region, however, most of his neighbors are pursuing very different political agendas, and much of the public deference accorded to Abidjan could dissipate once the president himself is gone. A lot depends on what becomes of the two million people from Ghana, Bourkina Fasso and other West African countries who live and work in Ivory Coast. Many of the country's neighbors' economies rely in part on remittances sent home by expatriate workers.

The Ivorian president advocates "dialogue" with South Africa and in 1974 the South African prime minister at the time, John Vorster, visited Yamoussoukro. Abidjan has no formal relations with the Soviet Union. Unconfirmed reports say Ivory Coast is preparing to establish relations with East Germany. Last year, Abidjan recognized China, and already had relations with Romania and Poland.

Offshore Gas Reserves

(Continued From Previous Page)

Espoir, but it has for the moment shelved plans to replace the temporary production system with a more permanent, expensive facility.

At the beginning of the year, Phillips A-10 well struck an interesting oil deposit on the Kumba structure, located only three kilometers (1.8 miles) from Espoir field. This latest discovery provides hope that the Espoir field, currently producing around 17,000 barrels a day, could be upgraded in the near future.

Other exploration drilling has so far proved inconclusive. The French state-controlled Compagnie Française des Pétroles, or CFP, pulled out earlier in the year after a few dry wells. Agip drilled two dry holes on its offshore permit during the first months of 1984.

Attention is now focused on the exploration campaign being carried out on block K1, off the town of Fresco, by the Houston-based Tenneco group. The first well drilled, the westernmost one ever attempted, was found to be dry late

in 1984. Tenneco now is analyzing the results, before determining the future of its exploration program. Success would open up a whole new area of the country's continental plateau for exploration efforts.

Following President Félix Houphouët-Boigny's directives, the government has adopted a low-profile approach toward the oil industry. The Ivorian leader is wary of the effects of a sudden inflow of petroleum wealth, preferring a more balanced development strategy focused on agriculture, the mainstay of the country's growth since independence.

It is pointed out in official circles that Ivory Coast must learn from the errors of states such as Nigeria, which sacrificed its rural economy and thus made itself overly dependent on the fluctuations of the world oil market.

Moreover, Ivorian authorities play down the eventual impact of the oil industry on the economy, underlining that it will take hard effort by the Ivorians themselves to assure economic recovery.

Development Continues Despite Debt

(Continued From Previous Page)

at providing incentives for businesses to install themselves outside of the congested Abidjan area. It is hoped that getting businesses into the smaller cities and rural areas will counter the magnetic pull that Abidjan exerts on the rest of the country. It is estimated that Abidjan, a city of two million, is expanding by more than 10 percent a year as rural Ivorians and foreigners pour in, most of them filling the city's slums.

Having endured a reversal of the

high growth levels of the first two decades of independence — including a negative 4-percent growth rate during the last two years — the business community in Ivory Coast displays cautious hope that the rest of the 1980s will see at least low-level economic growth. Per-capita income has fallen dramatically, from its 1980 high of \$1,270 to about \$800 this year, and economic growth will have to exceed the annual population growth rate of 2.6 percent in order to reverse that trend.

The Succession Dominates Politics

(Continued From Previous Page)

country's large external debt. These measures have exacted considerable sacrifices in general living standards, contributing to a marked rise in social tension. A foreign business executive whose company has major interests in Ivory Coast said that, "given recent economic setbacks, it is probably a good thing that the succession did not take place earlier."

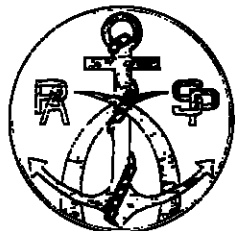
Despite statements to the contrary in local press editorials, the succession issue continues to be a

prime topic of discussion. The French, whose economic interests in the country remain large, are said to fear a war if the presidency should suddenly be vacated. Others wonder if any of the would-be candidates for the presidency have the requisite skills and experience to govern a country of some 50 ethnic groups that hitherto has known the strong presidential rule of one man. In the absence of a "groomed" successor, this question can only grow more acute as elections promised for 1985 draw nearer.

— HOWARD FRENCH



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Le Port Autonome d'Abidjan

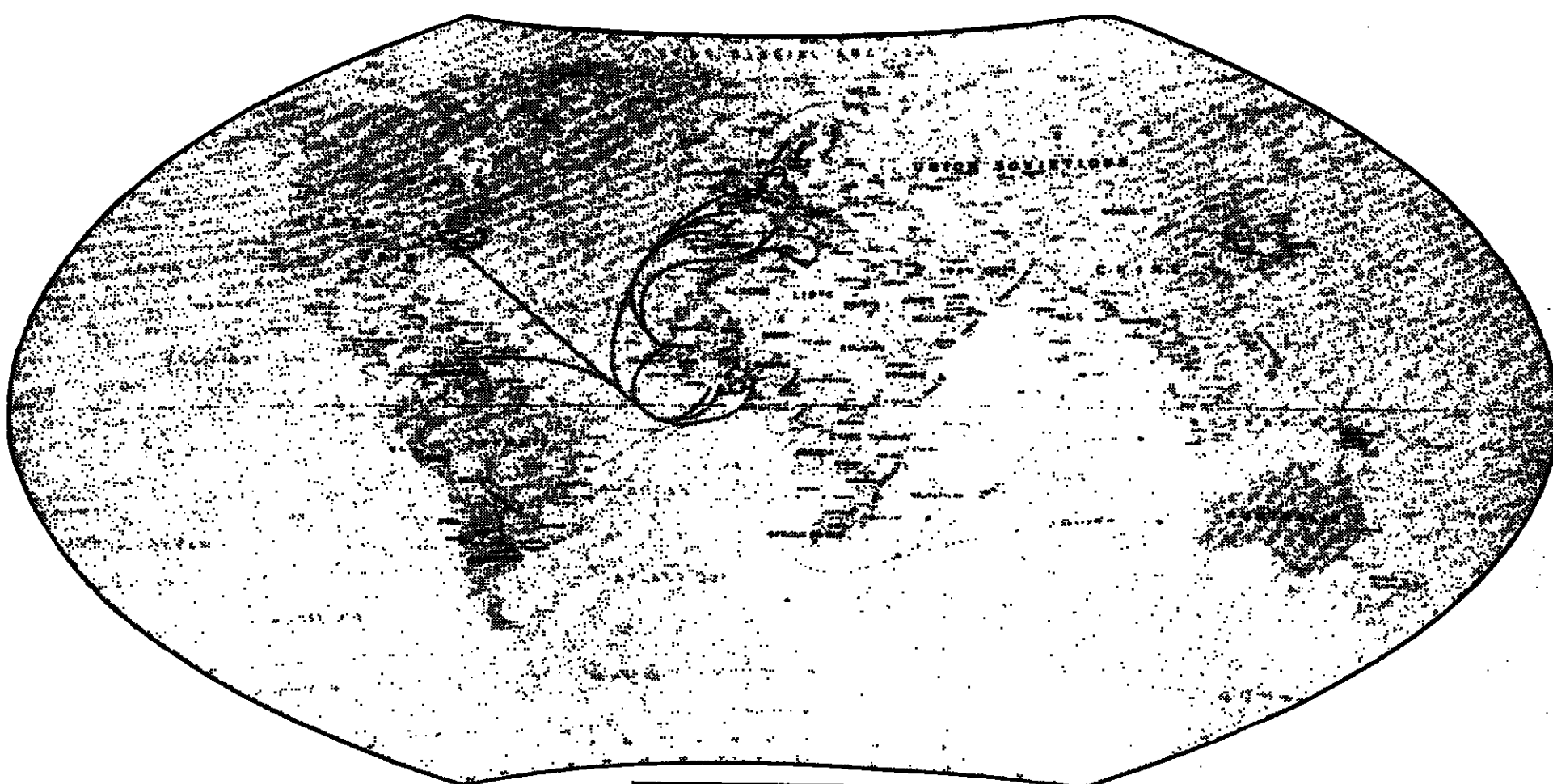
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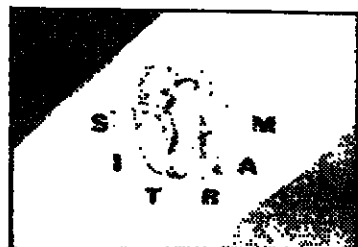
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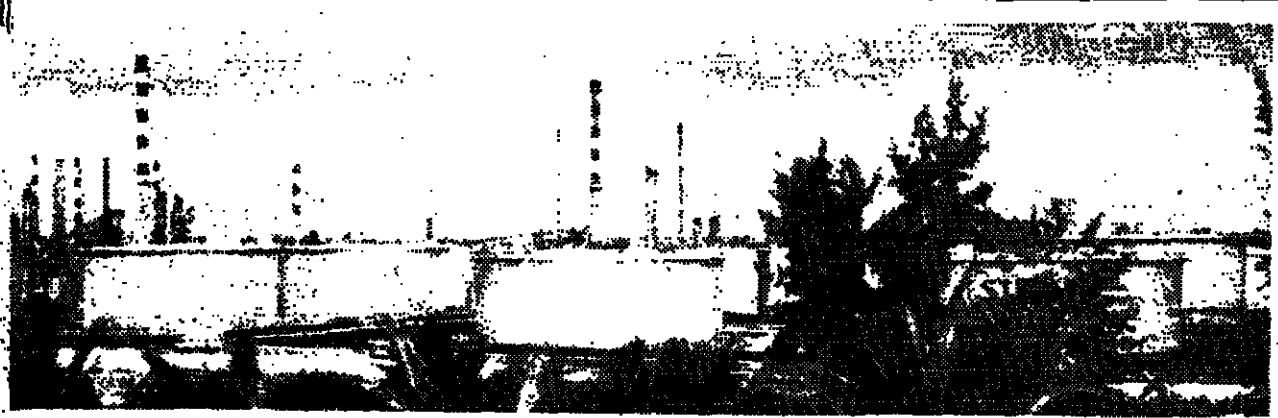
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A SPECIAL REPORT ON IVORY COAST



Storage depot outside Abidjan.

Dealing With the Foreign Debt Burden

By Peter Blackburn

ABIDJAN — In recent months bankers' eyes have been concentrated on the rescheduling of Ivory Coast's external debt. Not so long ago this action by a country regarded by the world Bank as a model for economic development in sub-Saharan Africa would have been unthinkable.

The country's worst drought for 25 years, along with severe power shortages and drastically reduced industrial and agricultural production, obliged President Félix Houphouët-Boigny to agree to a rescheduling. A steady deterioration in the export earnings of cocoa coffee, combined with a sharp rise in dollar interest rates, had severely weakened the country's finances.

The government, encouraged by the World Bank, borrowed heavily to try to bridge the gap. An expected increase in offshore oil production brought renewed wealth. But prospects in oil boom look increasingly remote, while small debt doubled to an estimated \$6.4 billion in 1980 and 1983. At the same time, a service rose to more than 40 percent of total export earnings.

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The government's inability to pay public enterprises, contractors and other companies has been sorely felt by the four main Ivorian commercial banks: Banque Internationale pour l'Afrique Occidentale, Société Ivoirienne de Banque, Société Générale de Banques en Côte d'Ivoire and Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire. They have been burdened with a large volume of bad debts resulting from bankruptcies and from trading and other losses.

Lack of liquidity, due partly to the priority given to servicing external debt, meant that companies had to borrow more. Lending by the four main commercial banks rose 17 percent to 749 billion francs in the year that ended Sept. 30, 1983.

Customer deposits stagnated, however, and the banks had to increase their borrowing from foreign partners — almost doubling their debt toward them to 131.5 billion francs.

At the same time other foreign banks, concerned by the country's spiraling debt and declining exports, were cutting credit lines, thus aggravating the liquidity shortage.

Competition for customers' deposits — the cheapest source of resources — was intense. "Too many banks were chasing too little credit," one banker said.

With 37 banks and financial institutions for a country with a population of nine million, some analysts feel Ivory Coast is overbanked, especially as gross domestic product continues to fall in real terms.

A request from the local banking association for government relief regarding interest rates and taxation aroused little sympathy.

The economy and finance minister, Abdoulaye Kassi, has said that the banks' difficulties can only partly be blamed on the recession. He criticized careless lending by the banks during the cocoa boom of the 1970s as well as poor management reflected by overstaffing and inflated salaries.

Criticism that foreign banks have creamed off the market rather than helping to bring in fresh capital has been rejected by a prominent local banker. "Their presence shows confidence in Ivory Coast's future," said René Amichia, director-general of the state-controlled Crédit de la Côte d'Ivoire.

Foreign banks have brought banking know-how, improved the quality of local banking services and established closer links with the world banking network, Mr. Amichia added. They have specialized in corporate banking, financing the oil industry and funding small-scale enterprises and housing.

With small, streamlined operations, the foreign banks carry far lighter overheads than their top-heavy local counterparts. For instance, Société Générale de Banques en Côte d'Ivoire, the country's largest commercial bank, opened a vast, space-age branch office in Abidjan's Vridi industrial zone last year.

To date, six international banks, including Citibank and Chase Manhattan of the United States, have expanded representative offices in Abidjan into fully fledged commercial banks.

Four other U.S. institutions — Chemical Bank, American Express, Bankers Trust and Manufacturers Hanover Trust — have West African regional offices in Abidjan.

Paris earlier this year became the first French bank to open a commercial branch office in Abidjan. Other French banks such as BNP, Crédit Lyonnais and Société Générale have important minority stakes in Ivorian commercial banks.

"The arrival of foreign banks caused a major shaking-up of the lethargic local banking sector, while the recession has forced a major restructuring to try and restore profitability," an analyst said.

The Banque Internationale pour l'Afrique Occidentale, for instance, has closed 25 percent of its branches and cut staff to 800 from 950 since September 1983.

Société Ivoirienne de Banque recently received an important injection of fresh capital from one of its main shareholders, Crédit Lyonnais. A new French deputy director-general was appointed to supervise a straightening out of the bank's finances.

Only the Société Générale de Banques en Côte d'Ivoire managed to earn enough profit to distribute a dividend in fiscal 1983. And last month it announced a net profit of \$1.2 million for the financial year ending September 1984, a 26-percent increase on the previous year.

One of the more interesting banking reorganizations taking place is that of Banque Nationale pour l'Épargne et le Crédit, which was privatized three years ago and which recently drew up a fresh set of statutes and appointed a new board of directors.

It is one of two wholly Ivorian and privately owned banks in operation. The other is Banque Ivoirienne de Construction et de Travaux Publics, which is majority shareholder in l'Épargne et le Crédit. The other shareholders are TAW International Leasing, l'Union Africaine and various private Ivorian interests.

The l'Épargne et le Crédit, a home loan and savings bank, had to undergo restructuring after the withdrawal of government support. It has about 70,000 small savers, representing an important section of the Ivorian community.

"We hope to shortly clear BNEC's overdraft at the Central Bank so that it will again be profitable," said the chairman, Patrice Yao Konan.

Mr. Konan, who is also chairman of Banque Ivoirienne de Construction et de Travaux Publics, added: "BNEC plans to diversify its activities away from housing to offer a full range of commercial services."

The Banque de l'Épargne et le Crédit hopes that the confidence of the local banking community will soon be restored, he said, and that the bank can develop correspondent relationships so that it is able to serve the international community.

"We hope to have restored commercial assets and become a fully effective commercial bank within three years," Mr. Konan said.

Gas Reserve Encouraging Investment From Abroad

By Lyse Doucet

ABIDJAN — While some West African states have had harsh words and restrictions on foreign capital, Ivory Coast has made considerable efforts to encourage its presence.

Its political stability as well as a developed system of services and basic infrastructure, country is usually regarded as one of the most attractive investment environments in the region.

In his year's long-awaited revision of the pre-independence investment code brought no changes in regulations that allow almost unrestricted repatriation of profit and capital.

But while this open-door policy has scored a points in investors' books, its cost appears to be a consistently negative balance of payments.

In 1983, more than \$1.5 billion left Ivory Coast through "invisible" outflows: repatriated profits, repatriated salaries of thousands of Ivorians and hefty interest payments on loans the government used to finance its own role in investment.

But the bulk of this capital is turned back to Ivory Coast, despite Ivorian government policy to attract diverse sources of investment, since the country's principal economic partner, France, which has profited from the colonial connection and the strength of political and economic ties since independence in 1960, have been strategically aided.

The presence of French advisers in key posts throughout the administration has meant a strong influence on investment decisions, often giving French companies privileged access to information.

French government credit assistance to companies doing business outside France, as well as advantages of the Communauté Financière Africaine, which pegs the currency to the French franc, have also been key factors helping French set up shop.

France provides about half of total investment in commerce, construction and agriculture, modern agricultural plantations and forestry.

Large French trading houses, such as Compagnie Française pour l'Afrique Occidentale, FORG, SCOA and Sore, which between them control more than 100 other companies, monopolize import-export trade. Names such as Agropol, LeFebvre, Bouygues and Colas are up on construction sites throughout the country.

In the last decade, however, France's leading role has been gradually eclipsed by the Ivorian government's increased involvement. While it accounted for 39 percent of investment in 1974, that figure had dropped to 21 percent in 1982.

In the 1970s the Ivorian government took

advantage of higher revenue from coffee and cocoa exports as well as increased access to commercial capital to embark on an ambitious expansion of its role in the economy. Its share of total investment capital had risen to 64 percent by 1982.

Seventy percent of industrial capital comes from the state and has been channeled into the country's electricity corporation, oil refining and output of local products such as palm oil and sugar.

The government has also intervened heavily in establishing basic infrastructure, such as roads, ports, buildings and telecommunications, which have in turn encouraged private investors.

But revenue shortfalls, heavy debt payments and the demanding presence of the World Bank and the IMF in the country's economic recovery program have forced a formerly interventionist state to review its balance sheet: a mixed record of some wise investment but also poor judgments on ill-advised projects such as sugar complexes and a wide array of inefficient "parasitical" companies.

The director of public investments, Deso Lancia, said state financing would now be limited to involvement in the agricultural, energy and social sectors. Plans for a \$750-million dam project, a subway system and extensions to the international airport and Abidjan port have been delayed.

While the state begins to withdraw, other sources of investment, inside and outside the country, are being actively sought.

President Félix Houphouët-Boigny's official visits to Canada, the United States and Britain last year provided him with good opportunities to publicize the fact that Ivory Coast welcomed investors. Diplomats from these countries say the president and ministers accompanying him conveyed strong interest in attracting new sources of capital.

For the most part, though, involvement in Ivory Coast by Western nations has been confined to trade, aid or representation.

The United States is officially the country's fourth-largest source of capital, but it amounts to no more than 3 percent of total investment. The bulk of U.S. interests are in oil exploration and production by such companies as Phillips and Esso. Texaco, Mobil and Gulf have confined their activities to marketing.

British participation, which ranks seventh, is largely represented by Unilever, which recently assumed control of Blohorn, a formerly French-controlled vegetable-oil company, and thereby Trinifal, a similar company that Blohorn had acquired from one of the country's major industrial groups and has a monopoly on local production of soaps and detergents. Unilever also has controlling interests in the formerly French trading house CFCI as well as the textile company Uniwax.

Most non-French countries that have declined to do business in Ivory Coast cite the limitations inherent in the country's market of about nine million people, as well as their relative unfamiliarity with the country. This last factor, however, is changing with an increase in visits and trade missions.

Investment attitude in Ivory Coast has also been a stumbling block. Ivorians have sizable investments in agriculture and forestry and interests in a wide range of industrial sectors, including processing of coffee and vegetable products, textiles, cement and chemical products. The average Ivorian investor, however, tends to be a government official or a civil servant rather than a businessman whose principal interest is the health of his enterprise.

Industrial experts say the country's new industrial policy, which aims at making small and medium-sized companies more competitive as well as export-oriented, is a demanding mandate in a country that lacks a dynamic middle class. Most Ivorian private money has been transferred outside the country or put in non-productive investment.

Official statistics rank the Ivorian private sector as the third-largest investor in the national economy, with 9 percent of total capital, but the figure hides the fact that many Ivorians are Lebanese or of Lebanese background. In contrast to the businessman who jets in and out of the French expert on a limited contract, many of the 60,000 Lebanese consider Ivory Coast their home. In addition to a virtual Lebanese monopoly on small retail shops, more than 160 Lebanese companies are involved in areas such as construction, food processing and small-scale manufacturing of plastics, chemical products and clothing.

Lebanese businessmen have often been criticized by other Ivorians and the French, who say they confine the bulk of their involvement to commercial activities and invest little capital in the country. But Salim Farhat, president of the Lebanese Industrial Union, said official figures that put total Lebanese investment at about 2 percent are far too low.

Lebanese business practices are not the only ones to have come under scrutiny. President Houphouët-Boigny said at a National Council session in November 1983 that in failures such as the country's expensive sugar-complex investment, over-involvement by foreign companies was a contributing factor.

Investors are also taking a closer look. Ivory Coast's present financial difficulties mean many companies have had to reduce their operations. There appears to be a general optimism, though, that the country will weather its economic storm. Politically there is hope that eventually under whoever succeeds Mr. Houphouët-Boigny the country will continue to offer the same stability for investors.

COMMERCE IN THE IVORY COAST

The economic policy of the Ivory Coast since gaining independence has been based on liberalism which has recently been reaffirmed by the suppression of a large number of State companies.

It encourages private initiatives with the role of the State being restricted to establishing the general directions to be pursued within the framework of the Programme, directing, encouraging and channelling energies towards priority sectors and setting up, out of public funds, the basic infrastructures necessary for the economic and social progress to be made.

This liberalism has meant that the Ivory Coast has had to look outside to a great extent in order to find the capital necessary for its development and in this respect commerce contributes substantially to the national development through the gains in foreign exchange resulting from exports and by the saving in foreign exchange realised by practicing a rationalised import policy.

The commercial policy of the Ivory Coast as a result of this basic economic policy is aimed at ensuring:

- on the one hand, the promotion of exports by creating the most favourable conditions possible;
- on the other hand, that the needs of the Ivory Coast are met at the lowest cost and also the distribution of essential foodstuffs;
- and finally, the involvement of the native inhabitants in commercial spheres from which they are excluded, such as reforming and raising the moral standard of commercial professions.

Promotion of Exports

The economy of the Ivory Coast which is essentially based on agriculture, has experienced over the 24 years since gaining independence, a spectacular development which ensures that it has a wide range of exportable products, such as raw materials, processed products or semi-processed products.

emphasis on the subsequent trade system in order to ensure that the producers have sufficient profitable outlets to encourage production and guarantee a regular and reasonably priced supply to the consumers.

Taking into consideration the decision taken by the State, in the light of past experience, to withdraw from its role as commercial operator, a public establishment dependent on the Ministry for Commerce has been set up called the Office d'Aide à la Commercialisation des Produits Vivriers (O.C.P.V.) (Office for Assistance in the Commercialisation of Essential Food Products), which is responsible for formulating and putting into operation the government action programme to improve the trade system in essential foodstuffs.

The Involvement of Native Inhabitants in Commercial Affairs

It is no secret today that large modern trading and small trade also, are in the hands of operators not native to the Ivory Coast.

It is therefore a question of encouraging the native inhabitants of the Ivory Coast to take an interest in commercial affairs using suitable means for this purpose.

Hence, steps are being taken to train native Ivory Coast commercial operators in particular by means of a school for Commerce and Management and through the enriching experience gained from the installation of retail commercial operators which, with the competition of the private sector, can clearly be seen.

Reforming and raising the Moral Standards in the Commercial Profession

The emphasis has been placed on the repression of fraud, the most notable form of which is over-invoicing; in order to prevent practices which may be prejudicial to the Ivory Coast, a preliminary quantity and quality Control for imported goods has been set up since 1975 which is handled by the Société Générale de Surveillance in Geneva.

The Commercial Policy of the Ivory Coast is producing extremely positive results

As regards trade, the overall transactions of the Ivory Coast abroad have increased from 71,172 thousand million F. CFA in 1960 to 238 thousand million in 1970, 1296 thousand million in 1980, 1342 thousand million in 1981 and 1466 thousand million in 1982, of which exports represent 38.8 thousand million (1960), 130 thousand million (1970), 663 thousand million (1980), 689 thousand million (1981) and 747 thousand million in 1982 respectively, producing a trade balance which remains traditionally positive.

Despite the leading role still played by products such as cocoa (largest producer in the world with 445,000 ton in 1981-82), coffee (third largest producer in the world and the largest in Africa with over 360,000 tons), wood, palm oil, natural rubber, pineapples, bananas, etc., the Ivory Coast today exports more and more products of considerable added value, (textiles and off-the-peg clothes, food preserves, construction materials, petrochemical products, etc.).

As regards meeting the internal demand, running out of stock and the periodic shortages remain only as sad memories.

The Ivory Coast thus reveals itself, although the attitude of its President is still cautious, a real oasis among otherwise deprived States which are to say the least, much less developed in comparison.



M. Nicolas Kouandi Angba
Minister of Commerce

In order to reply better to the commercial ambitions of the Ivory Coast a World Trade Centre has been created which, by virtue of the services and facilities which it will offer, in particular as regards trade information, should allow foreign trade to continue to play a motivating role in the development of the Ivory Coast economy.

Meeting the demand within The Ivory Coast at the lowest cost

Meeting the internal demand of the Ivory Coast at the lowest cost leads the government not only to vary its suppliers but also to favour straightforward changes and to establish provisional monopolies for the import of products of prime necessity like rice for example.

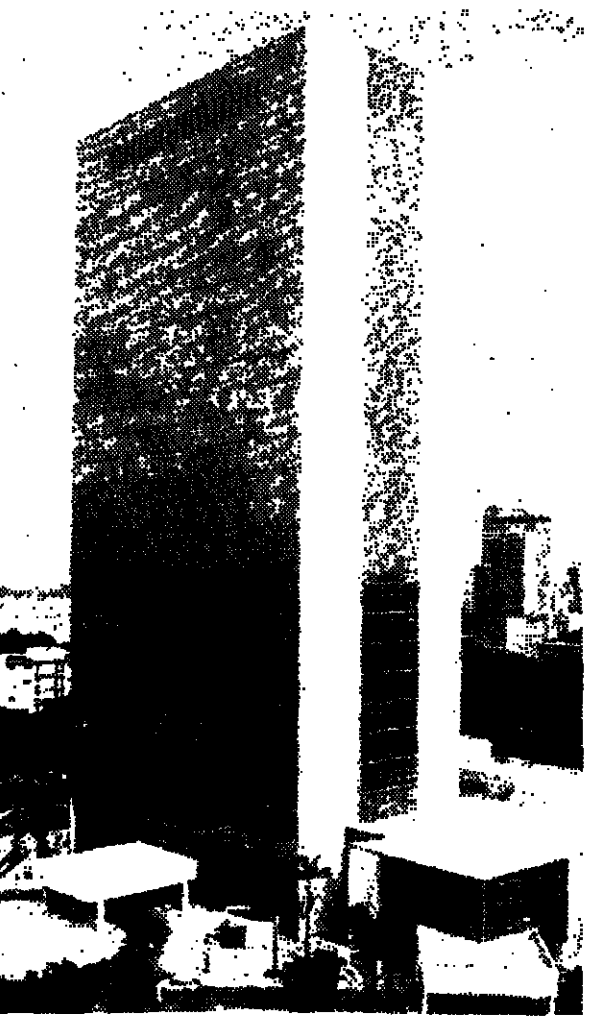
It is obvious that as soon as the problem of meeting the national demand for rice has been solved, with a project for rice production having just been relaunched within the framework of the programme to achieve self-sufficiency in foodstuffs, the import of this product will disappear together with the monopoly responsible for its import.

Distribution of Essential Foodstuffs

As the improvement of the trade system must precede the development of production, the government is currently giving particular importance to a programme of action attempting to improve the trade in essential foodstuffs.

It is in fact absolutely necessary that the promotion of the production of essential foodstuffs lays

Centre de Commerce International d'Abidjan



The World Trade Centre in Abidjan is a 31 floor complex built on the Plateau, close to the future Triumphant Way, which offers an exceptional number of services.

Apart from luxury office accommodation, with all modern amenities, facilities exist for meetings, seminars, congresses and symposia with the flexibility to cater for numbers from 50 to 320 persons. Offices are available on both a permanent and temporary basis.

Communications are excellent with 900 direct telephone, telex and telegram lines.

Among other services offered are reception assistance, an information and documentation service, data bank* and library as well as secretarial, translation and interpreting bureaux.

There is a 700m² Exhibition Hall which can be rented as a whole or in part according to requirements. There is parking space for 670 cars in the basement.

The building also incorporates a Training Institute,* Business Man's Club and the normal facilities such as a Post Office,* Bank, restaurants, shops and travel agencies.

All Departments of the Ministry of Commerce are located in the Centre.

*These services will be operational in the near future.

For further information please contact:

Centre de Commerce International d'Abidjan,

Avenue Jean-Paul II, BP V 143, Abidjan,
Côte d'Ivoire
Telephone: 32 30 92/32 43 78. Télex: 23460

A SPECIAL REPORT ON IVORY COAST

Government Increases Control Of Its Spending on Education

ABIDJAN — Every October in Ivory Coast, the much publicized *rentrée* or return to school absorbs Ivorian students, teachers, parents and government officials. This year, the anxiety and complaints were in many ways greater.

More than 3,000 university students, expecting more education at state expense, were informed that only a third of their number would receive state scholarships. Parents of 200,000 secondary-school students scrambled to find places for their children in a limited number of free state schools.

Secondary-school teachers were told that 20 of their number, including four main members of their union executive, had been reassigned away from Abidjan, the seat of union activities that in 1983 included a strike in protest against the government.

The minister of national education and scientific research, Balla Keita, said the Ivorian school system is having to adapt to the means and priorities of the state. Government economic austerity demands that financial commitments have to be reduced.

With 43 percent of the state's operational expenses going into the education budget, the Ivorian government believes it has ample reason to decide where the money goes and what Ivorians can study.

After years of paying the full cost of university education for thousands of students, the Ministry of Education reported this year that the country now had a large surplus of social sciences and languages graduates who were joining the ranks of the "intellectual unemployed." Ivorian science and math teachers fill less than 10 percent of Ivory Coast's needs, so the government has to hire other African or French teachers at up to four times the cost.

Employment opportunities for social-science graduates are becoming scarce as the government freezes hiring. The need for scientists and technicians is increasing, meanwhile, as the country focuses on its agricultural and financial problems.

Education officials point out that the Ivorian school system was modeled on the French system and thus has produced too many graduates whose degrees are not directly relevant to the economic and social situation of a developing African country. State orientation of students' programs, which begins in secondary school, is becoming increasingly slanted toward scientific disciplines.

About 1,000 new students enrolled in Abidjan University this year and 500 others took up teaching programs at the country's Ecole Normale Supérieure. A majority of all these students entered science or math programs. In addition, hundreds of Ivorians signed up for training at the Institut National Supérieur de l'Enseignement Technique.

Mr. Keita, the education minister, sees revamping the school system as more than just instituting a practical curriculum. One of his major innovations since he assumed responsibility for the nation's education two years ago has been the introduction of "moral and civic education" programs in which students are taught issues such as the importance of honesty and discipline, the dangers of alcohol and drugs, and the role of the individual in the neighborhood, city and society.

Moral and civic education involves learning about the country's single political party and its achievements, memorizing the national anthem and calling Ivory Coast's president, Félix-Houphouët Boigny, the "father of the nation."

While some teachers complain that presenting this material implies a political commitment that they

lack, Mr. Keita calls the program an "absolute priority," in order to equip Ivorians to resist what he sees as subversive foreign ideologies that run counter to the country's one-party system and free-enterprise ethos.

The teachers' unions — the only unions outside the country's essentially government-controlled union federation — have been the most vocal, if not the only, critics of government policies. Recent meetings by the University and Secondary School Teachers Union have ended with long lists of grievances concerning what the teachers regard as poor material, professional standards and moral conditions at work.

The minister has responded to their charges of an undemocratic decision-making structure by suggesting that they are trying to act as a political party and not a union. He said, however, that he was willing to discuss the charges if they came up with realistic proposals.

Concerning their economic complaints, he said the state no longer had the means to expand the school system.

As a result, Ivorian schools are now under considerable strain. Hundreds of thousands of Ivorian parents, from poor farmers to the well-educated and highly paid civil servants, want their children to go to school. But this year the state was able to offer only about 35,000 places in 30-seat classrooms in the public and partly subsidized private schools for about 200,000 primary-school graduates. Enrollments have swelled to as high as 80 students to a classroom in some schools.

At the primary-school level, some towns and villages have constructed their own schools as well as lodging for teachers.

Some directors of public schools as well as some teachers have tried to offer classroom places for a price, so this year Mr. Keita moved student recruitment away from individual institutions and centralized it in his ministry.

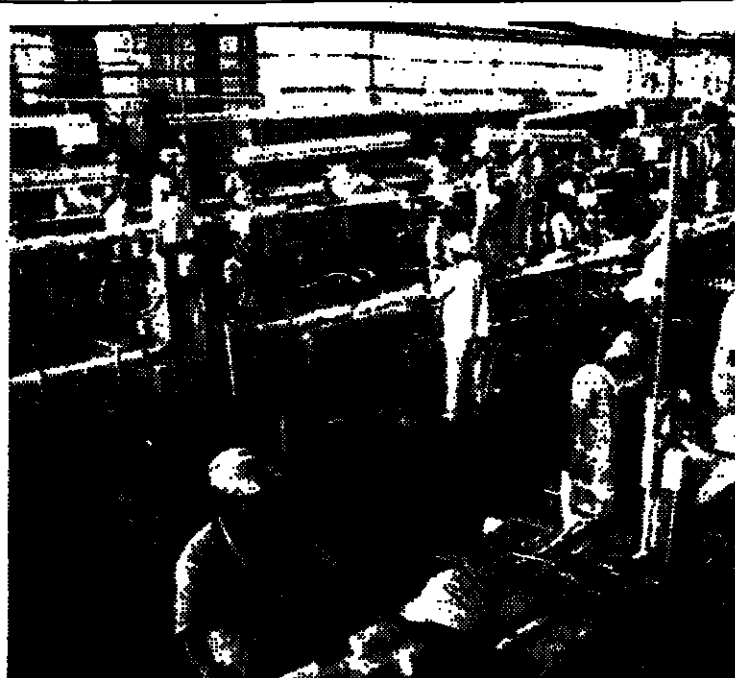
He is being criticized for his own recruitment methods, though. The minister has begun what he calls "complementary recruitment" to allow about 12,000 less successful students from poorer backgrounds into schools after normal orientation procedures have been completed. Some teachers and school officials call the process a "parallel recruitment" that ignores their recommendations concerning suitable students and allows individuals to continue in the system for political reasons.

Directors of public schools were informed this year that they could no longer charge what have often been inflated fees to cover costs of insurance, books and such items as identity cards.

The government is substantially reducing the number of non-Ivorian teachers, particularly the French, who in addition to being a considerable financial cost have aroused resentment among unemployed Ivorians. The numbers of French teachers, or *cooperants*, who were hired through the French Ministry of Aid and Cooperation, have been cut back by about a third. In better times, the government paid 80 percent of their salaries, which included free lodging and annual trips to France, making their earnings four times greater than those of their Ivorian counterparts.

Even the education minister recognizes that the Ivorian school system is in some disarray. He has announced that a general meeting will be held to examine Ivorian education, and has promised that everyone from disgruntled teachers to fretting parents will be asked to attend.

— LYSE DOUCET



Pineapple-canning plant at Bonoua.



A fish-canning plant.

Industrial Development: New Hopes for Growth

ABIDJAN — Long the poor cousin of agriculture, Ivorian industry is being called upon to play an increasingly important role in sustaining economic growth, as production of the historic pillars of Ivory Coast's agricultural economy — cocoa, coffee and hardwoods — approaches practical limits.

At independence in 1960, Ivorian industry was practically nonexistent. The 150 industrial concerns active locally were almost entirely French-owned and controlled, often subsidiaries of the large French trading houses implanted throughout France's former colonies in West and Central Africa. The Ivorian government began efforts to create import-substitution industries in the early 1960s, primarily in the manufacturing sector, in order to reduce dependence on imports from France and Senegal, the latter having been the chief manufacturing center as well as administrative capital of French West Africa.

By 1970, 68 percent of all industrial production was being sold locally, where high import taxes and quotas for competing foreign imports assured a market. The most successful exports were those that required relatively little transformation of local products, such as coffee and cocoa, to which little value is added in the processing.

While it was heavily dependent upon domestic sales, Ivorian industry accounted for only 18 percent of the local market for industrial goods. Analysts worried that, given the limited variety of goods produced, Ivorian industry could not greatly increase its share of the national market. Local industry had to export or perish.

Policy-makers responded to the challenge with an ambitious investment program, which increased total Ivorian participation in domestic industrial capital from less than 30 percent at the beginning of the 1970s to 65 percent in 1982. Private Ivorian participation, however, remained very small. The declared objective of the state's large-scale involvement was to accelerate local ownership, management and employment in the industrial sector, while aggressively targeting new markets so as to increase exports.

While Ivorian participation in local industries was increased at almost every level, efforts to raise exports were much less successful. Throughout the 1970s, Ivorian industrial exports remained at about 32 percent of total industrial production.

Critics argue that government intervention in the industrial sector during the 1970s was motivated as much by political criteria as by well-reasoned economic considerations. Sensitive to the frustrations of a growing class of young technicians, educated locally and in the best schools abroad, President Félix Houphouët-Boigny sanctioned the creation and expansion of a number of "parastatal" companies whose capital was raised through government-guaranteed loans. These companies were run as autonomous corporations largely by this emerging class of young technocrats.

Most of the large new parastatal entities were agro-industrial concerns, which were to rationalize production of a number of cash crops, with the intention being to broaden the country's economic base beyond cocoa, coffee and tropical hardwoods. The principal crops involved in the strategy were sugar, palm oil, cotton and rubber.

Mr. Houphouët-Boigny's gesture of entrusting the management of the parastatal companies to a new generation of technocrats turned out to be extremely costly. The agro-industrial companies ran up huge debts through expensive short-term borrowing, and were registering major losses.

Most of the loans undertaken by the parastatals were contracted in the late 1970s, when prices for cocoa and coffee were at record levels and when it was widely expected that Ivory Coast would soon join the ranks of Africa's medium-size oil producers. Economic projections based on high commodity prices and oil exports encouraged a lapse on the part of Ivorian planners and foreign bankers alike, for which the country is still paying dearly.

Government industrial reform, recently stepped up with major World Bank participation, began with the decision in 1977 to trim plans for sugar production. With state revenues dramatically decreased following the collapse of commodity prices, the government decided to reduce its involvement in industry by selling off the assets of the troubled parastatals.

Little progress has been realized on this front. One government official said difficulties in liquidating the state's industrial holdings — such as two recently closed sugar complexes — were "largely due to difficulties in agreeing on the value of the capital equipment."

With the Ivorian government caught in a serious liquidity

crunch, and apparently chastened by the bitter lessons of huge public investment blunders made during the 1970s, World Bank began a program of "structural adjustment" in 1981. The bank's structural adjustment aid was renewed and considerably increased, in July 1983, when an ambitious and politically delicate \$250-million program for Ivory Coast was approved.

The World Bank having succeeded, in large measure, in prompting the state to limit its industrial ventures during the first phase of this assistance, the new program is primarily aimed at major private industries, such as textiles, cement and assemblage industries.

The new reforms, introduced after several months of efforts to explain them to all parties concerned, involve gradual removal of tariffs and import quotas, long used to protect locally made merchandise from foreign competition. A major component is the 40-percent import tariff imposed on raw materials and parts used in the production of a variety of goods, from cloth to automobiles. Tariffs will be rebated on goods that are exported, earning country badly needed foreign reserves.

A World Bank official explained the reforms. "The manufacturing industry that grew up here has always been providing for the local market, but has passed on its costs to the rest of the economy because the government has allowed it to hide behind protectionist barriers." "Our program will allow the government to take those industries which are truly viable, so that incentive be focused on them."

In an emotional rebuttal, however, an Ivorian manager complained that "a 40-percent tax on parts will put out of business in a matter of months."

Some observers have criticized the World Bank program for the abruptness of its reforms, especially since they are on the heels of a number of major austerity measures undertaken by the government. One economist said: "It is just not much of an industrial fabric here, and though [World Bank] program aims at encouraging exports, the existing industries can be expected to learn to swim on their own."

— HOWARD FREY

PALMINDUSTRIE

The largest Exporter of Palm Oil in Africa and third largest in the World.

In 1968 the Ivory Coast still imported 2,000 tonnes of palm oil and at that time the production of coprah in terms of oil was not more than 5,000 tonnes per year. Moreover, at the present time, had no development programme been realised and successfully followed through for the cultivation of oil-producing plantations, it would be necessary to spend an annual sum of between 60 and 70 million US Dollars in order to meet the internal demand, without taking into account the sum recuperated on the foreign exchange by virtue of the fraction which is exported and the indirect effects on the national economy, duty, indirect taxes, jobs created, road construction and residential building, dispensaries and schools, installations and maintenance posts in respect of the operations related to the "Palm" and "Coco-Palm" projects.

All these production activities and the operation of these projects is ensured by the Ivory Coast company, PALMINDUSTRIE, which has established agreements of cooperation with a group of three European companies specialising in the agro-industry of plantations.

These agreements, which were sought and decided by the Head of State, have as their aim:

- to enable PALMINDUSTRIE to market its products under favourable conditions
- to facilitate the exchange of specialised skills
- to ensure a strict and efficient management which only the private sector can achieve when confronted with competition
- to make preparation for the privatisation of the sector by bringing national and foreign private partners into contact, while the State remains in the majority.

PROSPECTS

It has been shown above that the annual capacity for the production of palm oil, taking one year with another, is



M. Dossougui Kone
Director General of Palmindustrie

between 140,000 and 160,000 tonnes. By virtue of its use in foodstuffs, palm oil is mainly consumed on the internal market, while the lauric oils (cabbage-palm and coprah) are more especially intended for export.

At present, therefore, it is possible to ensure that the internal demand, estimated at 125,000 tonnes will be met, but that will no longer be the norm from the year 1990 onwards.

Indeed, because of the higher standard of living and the accompanying growth in the population on the one hand, and urbanisation on the other hand, the internal demand is increasing as shown by the figures below:

- 1985: 125,000 tonnes
- 1990: 158,000 tonnes
- 1995: 217,000 tonnes

Thus during this time, the plantations established between 1962 and 1978 will age; as such it is necessary to replant after a 25 year period, which consequently results in a temporary decrease in the production capacity as the palm tree only begins producing in the fourth year after planting. Thus, from 1981, a second Palm Project was studied and

commenced in 1983. This project covering the period 1983/1990 includes in particular:

- replanting of the oldest plantations: 18,000 hectares
- the creation of new industrial plantations: 12,000 hectares
- a programme for village plantations: 43,000 hectares

which is to say a total of 73,000 hectares over an 8 year period.

All these programmes are realised and their progress followed by PALMINDUSTRIE.

The EDF is at present financing a part of the 1983/1985 programme while the evaluation of the 1986/1990 programme is being carried out.

THE CLIENTELE

As in previous years, the sales remain orientated towards the EEC countries, on the one hand because of the freight facilities, and particularly taking into account the tariff preference scheme for oils (4% for palm oil and 7% for lauric oils).

The United States maintains its place in the Ivory Coast market for lauric oils, but tends more in favour of coprah oil instead of cabbage-palm oil.

After a lapse of one year, Senegal reappeared on the Ivory Coast palm oil market while the quantities of this product purchased by Bourkina Faso increased considerably. Mali entered the market in very modest proportions.

As far as cabbage-palm and coprah pellets are concerned, the Federal Republic of Germany and the Netherlands remain the only purchasers abroad.

PALMINDUSTRIE — the outcome of a farsighted political willingness and a real international North-South cooperation.

Directeur Général
Directeur Général Adjoint
Secrétaire Général

M. Dossougui KONE
M. Christian BRUNIN
M. Ferdinand SANGARET

Siège Social: Abidjan - Côte d'Ivoire 01 - BP: V239 - Tel: 36 93 88

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25 Years of Independence

A Proud Record of Achievement



The twenty-fifth anniversary of Independence to be celebrated by the Ivory Coast this year is an appropriate time for looking back over the past and reviewing the economic and social achievements particularly in the field of facilities and communications.

In this respect, the Ivory Coast can, with reason, be proud of the results obtained thanks to the substantial efforts made to acquire the modern facilities required to achieve the level of development aimed at under the guidance of our farsighted President, Mr Félix Houphouët-Boigny.

In this country, which in 1960 only had limited means of communication, an export trade of agricultural products, and where almost the entire population lived in a rural milieu, the public authorities, immediately after Independence, devoted themselves to setting up the necessary substructures and services which would become the means and support of national development while at the same time establishing a new life style for its residents, an urban lifestyle.

The freedom of movement as regards persons and goods encouraged by a liberal social and economic organization has, among other things, given rise to the development of post and telecommunications operations through the installation of modern techniques similar to those of the industrial nations. A quick glance at the different sectors of activity covered within a single ministerial department for public works, construction, post and telecommunications makes it possible to point out the most significant achievements which have supported and accompanied the development of the Ivory Coast over the last 25 years.

Public Works and Transport

Since 1960, the aim of this sector has been to install a reliable and inexpensive rapid communication network which would serve the remote rural areas, facilitate trade and cooperation while at the same time reduce regional imbalances and help strengthen national unity.

Over the twenty-five years, during which the number of motor

vehicles has increased tenfold, the road network has been increased by 25,000 km and its quality improved considerably, in particular as regards the 3,600 km asphalted highway compared to 680 km in 1960.

Those who have particularly benefited from the State's efforts in this field are, the South West by virtue of the installations around the Port of San Pédro in this region and the North with the two important North-South routes which have been constructed.



A. Barry-Battani, Minister of Public Works, Construction, Posts and Telecommunications

Photo: Fathi Mahouchi

The national and international railway network (Abidjan-Ouagadougou) has been modernized and the traffic has increased by 2.4 ton/kilometre and by 3.8 passenger/kilometre.

The equipping of the Port of Abidjan and the creation of San

Pédro have meant a very significant growth on goods trade (x 5.5 from 1960 to 1983).

Air traffic has likewise multiplied (x 12.6 for passenger traffic) which required the extension of the airports in Abidjan and Bouaké, the creation of an airport in Yamoussoukro as well as several other regional airports.

The installation of all these substructures closely linked to the growth in trade has not only made it possible to satisfy immediate demand, but also, in many cases, anticipate the future by providing the country with a well proportioned and functional system of communication and transport.

Construction and Town Planning

One of the most predominant features in the recent history of the Ivory Coast is the development of urban centres. Compared to certain other countries in Black Africa, the Ivory Coast possessed no real urban centres prior to the 1960's and the colonial authorities only set up a few administrative centres in the first half of the century.

The rapid progress of economic activities and the installation of important facilities such as the railway and the construction of a deep water port, encouraged the growth of commercial urban areas like Abidjan, orientated towards trade.

While the urban population in 1960 amounted to only 600,000 inhabitants, in 1985 almost 4 million out of a population of 9 million live in towns.

The development of the national territory must therefore necessarily involve the creation of a graded urban network, harmoniously distributed and perfectly controlled.

Thus, the main agglomerations were provided with town planning projects, 100,000 urban and rural dwellings were constructed with State aid, 137 agglomerations were supplied with drinking water, and the total number of village wells and drilling programmes has increased from 500 to 7,800.

In addition to the particular effort which has been made in respect of Abidjan in order to provide it with the substructures necessary for a town of more than 2 million inhabitants (for example the transport network which caters for 240 million passengers per annum), two towns have experienced exceptional progress: San Pédro in the South West and, in

particular, Yamoussoukro in the centre which has been provided with the facilities necessary for fulfilling its role as a political and administrative capital. In the same way, the urban policy followed has been resolutely orientated towards the future in order to prepare for the Ivory Coast 25 years hence with a population of 30 million of whom 20 million will be city dwellers.

Personnel Training

Whatever the range of material facilities in operation, any establishment which does not provide for the training of its personnel is doomed to failure. In this respect, the Ivory Coast has made considerable efforts.

Two large schools handle the training of engineers and technicians for equipment and communications: the Higher National School of Post and Telecommunications (L'Ecole Supérieure des Postes et Télécommunications) and the Higher National School of Public Works (L'Ecole Supérieure des Travaux Publics). The latter, in particular, which has been recently established and is provided with the most sophisticated installations, is one of the finest examples of training establishments in the country.

These two schools are one of the most important resources in the policy to train Ivory Coast personnel and make it possible to meet the basic needs of public and private business.

The world economic crisis which has had a serious effect on the developing countries and which the Ivory Coast could not avoid totally, may be seen, in some respects, to have had a positive side.

The pause in expansion meant that it became necessary to investigate a more efficient method of operating the existing installations, to conserve and ensure the maintenance of the substructures and to re-organize and improve the public and semi-public sectors with a view to obtaining the very best return possible; an attitude which was often lacking.

In taking this approach, the Ivory Coast is effectively preparing itself for the economic revival by establishing conditions which will favour national investment and encourage the finance from abroad which is, and which will continue to be, absolutely necessary for a developing country resolutely looking towards the future.

OFFICE DES POSTES ET TELECOMMUNICATIONS

The development of postal operations is basically illustrated by a more efficient service throughout the territory and by a considerable effort to adapt to consumer requirements.

The national sorting office, recently constructed in Abidjan, will facilitate both an increase in the handling capacity of mail and packages and accelerate distribution. 3,700 telephone subscriber lines in 1960, 48,000 at present plus 2,400 telex lines; these figures alone show the progress made.

An ambitious investment programme, carried out through the five-year programmes, supported by the confidence of the bilateral and international organisms, has made it possible to develop a wide-ranging substructure towards the centre of the country: within a few months time, the potential capacity of the automatic exchanges will reach 80,000 subscribers.

The most advanced techniques have been put into operation: limited duration electronic exchange (fifty percent of the 35,000 subscribers take advantage of this facility), pocket radio-telephones, electronic messages, transmission of data, however, the most important development has been at international level. The Ivory Coast has had a share in the submarine cable networks to Europe and South America, and has always been in favour of the Intelsat organization for satellite telecommunication. Its 600 international lines which share these two techniques, ensure the Ivory Coast of excellent direct lines with around forty other countries. For the moment, the international economic situation and the need to strengthen a few weak points within this extensive network, as soon as possible, have resulted in a certain caution as regards investment, but the schedule for 1995-2005 which is currently being drawn up, provides the opportunity for a fresh increase using the most recent developments in technology to their best advantage.

For further information please contact:

Office des Postes et Télécommunications
BP: V 153

Abidjan, Ivory Coast
Tel: 34 68 68 Telex: 23790



Fernand Kouadio Konan
Chairman

SONITRA

Société Nationale Ivoirienne
de Travaux



Lazar Orenstein
Director General

SONITRA is a mixed investment company in which the Ivory Coast State holds a majority of shares. Its initial capital of 100 million CFA Francs in 1963 has seen successive increases taking it up to 2,272 million CFA Francs in 1979.

In 1979 the annual turnover was 37 billion CFA Francs of which 26 billion was attributed to the building sector and SONITRA became the leading building-and-public construction firm in the Ivory Coast.

During its twenty-one years of operation, SONITRA has contributed to the training of specialized Ivory Coast executives and employees, and especially to the training of thousands of staff in various sectors of our sphere of activity, some of whom have been with our company from the time it was established until the present.

Apart from large-scale and sometimes monumental projects SONITRA has always been capable of executing multiple work programmes throughout the country, often within very short periods of time.

Even today, despite the current economic conditions, SONITRA has managed to concentrate its efforts and resources to secure invitations to Tender for, among others: The cathedral in Abidjan, the Notre-Dame d'Afrique Sanctuary, the Fraternité-Matin extension and the Yamoussoukro-Bouaké, Bouaké-Botro and Adzopé-Bédié roads.

It can be taken that SONITRA has overcome the crisis which the Ivory Coast experienced over recent years and is ready and dedicated to the continued use of all its resources in order to contribute to the development of the country.

"Once again we shall reach the crest of the hill."

Mixed Investment Company
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Capital: 2,272,000,000 FCFA

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SOTRA Société des Transports Abidjanais Abidjan Transport Company

1,100 vehicles - 6,000 employees - 240 million passenger operation
37 billion FCFA operating budget 42.5 billion FCFA accrued investments to 30.9.84

A mixed investment company with a capital of 3 billion FCFA -
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SOTRA is a concessionary company dealing exclusively with general public transport in the city of Abidjan. This transport consists of several services.

The Urban Service
The urban network consists of 51 lines operating 610 modern buses, 100 seat Renault S 105's.
Route length 742 km; 800,000 passengers carried per day in the course of 9,000 journeys representing 131,000 km.

Taxi-Luggage Service
With 45 17-seater Renault SG2 minibuses and 2 specially equipped S 105's, this service ensures that trips between Abidjan and the suburbs are well provided for.

Lagoonal or Boat-Bus Service
With 14 boats in operation served by 2 shuttle lines between the town centre and the Plateau du Banco, 25,000 passengers are transported per day in the course of 450 crossings.

School and University Service
With 107 50-seater Renault SM8 buses and 35 Renault S105 standard buses, this service ensures the transport of students (between campus and university halls) and also serves 8 secondary schools.

Special Tourist Services
Outside the concession, SOTRA provides a certain number of personnel services; employees of air companies, private educational establishments, etc.

Likewise, it furnishes almost all the tourist transport with 14 specialized coaches, 5 of which are air-conditioned, as well as a specially equipped boat bus. It offers excursions, organized trips or, on request, conference transport, etc.

Substructure and Equipment
SOTRA has 7 depots at its disposal each catering for between 180 and 200 vehicles, one of which is still under construction. These are distributed throughout the city and deal with all the various activities of the company in a decentralized manner (maintenance, running, accounts, personnel, social and medical affairs). It also has central mechanical and coach building workshops.
SOTRA has 3 lagoonal stations available for development as well as control stations, one of which was completely refurbished in 1984 with another underway for 1985. 14 terminals are to be fitted with bays, offices and signposts.
The fleet will increase to 1,088 vehicles and 19 boats in 1985 which will include:

880 Renault S 105 100-seater buses
124 Renault SM8 50-seater buses
63 Renault SG2 17-seater minibuses
21 Renault coaches with various capacities
Investment at 30 September 1984 amounted to 42 billion FCFA of which 28.5 billion is accounted for by vehicles on the road.

The Future

In the years ahead SOTRA will be paying particular attention to the growth of Abidjan. (2.5 million in 1990 to 10 million in the year 2000) which will make it necessary to formulate plans for a new type of heavy transport, such as an urban rail service, which is currently being studied.

It was on 28 March 1961 in Yaoundé that eleven Heads of State and Government (the Cameroons, Central Africa, the Congo, the Ivory Coast, Gabon, Dahomey (now Benin), Upper Volta (now Burkina Faso), Mauritania, Niger, Senegal and Chad) signed the treaty on "African Air Transport" creating a joint, multinational air transport company. In Abidjan on 18 June 1961, the joint company legally came into being and was named:

Air Afrique was born.

The main reason behind the creation of Air Afrique was the combination of resources by these young independent States, foregoing the expensive prestige of a national flag carrier, in order to set up a reliable means of air transport as regards inter-African and intercontinental links and, at the same time, taking a step towards regional integration and African unity.

Togo signed the Treaty in March 1968. The Cameroons and Gabon pulled out of Air Afrique to create their own national companies in 1971 and 1977 respectively.



AIR AFRIQUE
Une nouvelle puissance.



Aoussou Koffi, President and Director General
of Air Afrique Photo: Fathi Mahouchi

Resources

Air Afrique could not exist without the air traffic rights which constitute freedom of movement in the air. As a result of the member States placing their air traffic rights at the disposal of Air Afrique, the company possesses exceptional resources from this point of view ensuring its future expansion.

Its network, the most extensive among the African airline companies, covers 119,450 km and consists of:
a transatlantic network of 8,250 km;
an inter-state network of 27,700 km;
an intercontinental network (Europe-Africa) of 88,500 km.

The network covers 19 African countries providing a regular service and also links the continent to France, Italy, Switzerland, the Federal Republic of Germany and the United States.

Flight schedules play a most important role as they constitute the main sales point. They are fixed annually with a view to achieving better network operation and capacity. By adopting the ALPHA III system, Air Afrique has chosen to rely on electronic methods and automation which are more efficient, reliable and rapid than a dependence on human capabilities.

Despite occasional setbacks, Air Afrique has been very successful and is a fine example of African cooperation and solidarity.

A SPECIAL REPORT ON IVORY COAST



**Ivory Coast:
A Wealth
Of Sights**

At left, a merchant's house in Grand Bassam; above, an open-air gathering in Abidjan; right, an Ivory Coast fresco.

Government Hopes to Increase Tourism by Putting Quality Before Quantity

ABIDJAN — The Belgian woman and I sat in the bottom of the pirogue, a long, low canoe hewn from an enormous log. We glided up the river as two smiling Aïtè youths poled us through swirling rapids and still, deep pools on our way to the sacred falls of Agbos-soko.

Along the way we passed women washing clothes, small boys fishing, footpaths leading into the dense underbrush. Overhead, bamboo trees and other jungle foliage partly obscured the sunlight and made the trip a cool one despite the heat of the day. Birds screeched and hummed in the humid air. We felt far away from the urban rumble of Abidjan.

Later, after a delicious meal of *kadjenu* (chicken steamed with vegetables and spices),

attieké (a couscous-like dish made from cassava) and pounded yams, we sat on bamboo benches and watched five women perform a dance to protect and purify the children of the village. Despite their gap-toothed smiles, the dancers looked ghostly in their white robes and face paint. Five burly drummers provided the percussion while the women sang and knocked sticks together in a spell-binding rhythm. The dancers pounded forest leaves into a bright green paste, then smeared it on several surprised and teary babies. This, we were told, would cure the ills of the village children.

The pirogue ride and other activities were part of a one-day tour offered by CATH Tours, one of a half-dozen private tour groups in Ivory Coast. Their one- to five-day

trips take tourists to every corner of the country. A tourism center run under the auspices of the Ministry of Tourism offers similar trips.

"Tourism in the Ivory Coast is more than just a beach," said the center's interim director, Michel Akom. "We believe in offering tourism with a human face. Our main resource is our people and their cultures." With about 60 different ethnic groups, the country has a diverse range of music, dress, architecture and traditions to be discovered by the tourist.

Ivory Coast has more than 80 two- and three-star hotels throughout the country; all are easily accessible by one of the best-developed road systems in West Africa. If you dislike tour groups you can rent a car, take a

bus or, if you are feeling adventurous, pile into a *taxi brousse* — a station-wagon bush taxi, the main component of West Africa's rural mass transit system.

There is rail service from Abidjan to Bourkina Faso. Air Ivoire flies to eight regional towns from Abidjan. There are many things to see in the countryside, such as still dancers in the Zala, the masks of Man, the enormous traditional market in Bouake and the Combe National Park, where elephants, monkeys, birds and antelope are plentiful.

There are golf courses, tennis courts and swimming pools galore in Ivory Coast, and not far from Abidjan, the beaches rival those of the Caribbean. Club Méditerranée and Valtour have vacation centers near Assinie. Abidjan is a thoroughly modern city that

has not forgotten its African roots. Shopping in the market of Treichville, which was the first large African settlement in Abidjan, is an experience not to be missed. Restaurants in the capital offer everything from European and Middle Eastern food to Caribbean and Oriental dishes. Or you can try one of the colorful *maquis*, where Abidjanais eat spicy African dishes washed down with cold local beer. At night, Treichville jumps to the music of New York, Paris, Kinshasa and Lagos.

It may seem surprising that a country with so much to offer attracted only 200,000 tourists last year, including business visitors. But Africa has yet to see the fare wars that made the trans-Atlantic travel boom; travel to, from and around Africa is not cheap. Private tourist agencies say that until airlines such as

Air Afrique offer discount fares (an unlikely prospect), tourism will be slow to rise.

The Ivorian government's philosophy is that "quality" (read high-spending) visitors are preferable to the "quantity" of mass tourism. The government hopes to increase tourism 5 percent next year, in part by offering prepaid package tours. Officials are also worried that catering to large numbers of foreigners might disrupt traditional ways of life.

Private agencies such as CATH say the volume of tourism could be higher if cheaper packages could be offered. They are trying to organize charter flights with groups in Europe, noting that, once you arrive, Ivory Coast is not very expensive to visit, and there is plenty to see and do.

— RICHARD EVERETT

Lower Coffee and Cocoa Prices Underline Pressing Need for Crop Diversification

ABIDJAN — The days when Ivory Coast could rely on coffee and cocoa to finance economic growth are over, and Ivorian officials acknowledge that agricultural diversification is long overdue.

The two crops provided up to 50 percent of the country's export earnings in past years. Prices have been softening since the peak year of 1977-1978, though, and extensive replanting needs to be done just to maintain current yields. Efforts to diversify the cash-crop economy have met with varying degrees of success. High hopes for sugar were dashed by falling world prices, but rubber, cotton and other crops have proved successful small-scale cash earners.

Established during the colonial era, the coffee and cocoa industries are composed mostly of small-scale Ivorian planters in the center and south of the country. The planters sell their harvest at a fixed price to the state-run marketing board, Caistab (for Caisse de Stabilisation), which in turn sells them on the world market.

Declining world prices have eroded the government's income from the two crops and have severely diminished planters' real purchasing power. Migration of laborers to the city, drought, bush fires and aging plantations have contributed to the drops in production of coffee and cocoa. Cocoa production fell to 355,000 tons from a high of 470,000 tons in the 1981-1982 season (October to September). Coffee production in 1983-1984 was 270,000 tons, down from 365,000 tons in 1980-1981.

The government is stepping up its campaign to revitalize the two industries. A total of 2.5 billion Ivorian francs was earmarked last year as cash bonuses for farmers who replanted older plots. After holding producer prices at 300 francs a kilogram for four years, the government raised prices twice in the last year; they are now 390 francs for coffee and 370 francs a kilogram for cocoa.

A senior agricultural official said the long-term goal was to maintain present acreage and yields (this year's targets are 450,000 tons for

cocoa and 300,000 tons for coffee) while improving the quality of harvests with more stringent sorting procedures. The official acknowledged, however, that long-term economic growth could not rely solely on cocoa and coffee.

Negotiations are under way for a new International Cocoa Agreement. The previous agreement was rendered ineffective when the world's largest producer, Ivory Coast, and the world's largest consumer, the United States, both refused to sign the agreement. Ivory Coast has maintained that consumer prices must be high enough to allow the recouping of production costs, while the United States has advocated a free-market approach.

In order to reduce dependence on cocoa and coffee, the World Bank has encouraged Ivory Coast to diversify its cash-crop production. One expert noted that the Ivorians were making headway, although there have been some setbacks. Gambling on high sugar prices in the early 1970s, the country invested heavily in

sugar production. The government hoped to make sugar a major cash earner, with annual yields of up to 600,000 tons projected for the mid-1980s.

Then sugar prices fell, and the project was further hampered by inexperienced management. There were also allegations of corruption in the awarding of construction and supply contracts. The state-owned Sodesucro company closed two of the country's six refineries after producing only 180,000 tons in 1983. Officials say that, once reorganized, the industry would provide for Ivorian sugar demand and that only a small amount of export income from sugar was to be expected.

The country's No. 3 export industry, lumber, has also been in trouble. The world recession has reduced demand and prices for Ivorian wood, and the country's exploitable timber has been disappearing at an alarming rate, from an estimated 16 million hectares (39.3 million acres) at independence in 1960 to barely 4 million hectares today. Encroachment of agri-

culture, extensive cutting for firewood and insufficient reforestation have contributed to the rapid rate of deforestation. Furthermore, French researchers point to a direct parallel between the felling of Ivory Coast's once extensive forests and the dramatic decline in rainfall in the last 20 years.

With the help of Canada and the World Bank, the government has increased tree replanting. Government officials say they hope to maintain lumber production levels of about two million tons annually while improving lumber quality through closer monitoring of cutting and drying.

The Ivorians have had success with their young rubber industry. The World Bank has helped the country's two parastatal rubber companies to increase acreage and yield on their plantations in southwest Ivory Coast. Output for 1984 is expected to be 34,000 tons, roughly double 1978 production, and yields are expected to increase in coming years as recently planted

rubber trees reach maturity. Most of the country's crude rubber is exported, although a small amount is retained for local production of tires and shoes.

The palm industry is also doing well. Stateholder planters are gradually increasing acreage while the state-run Palmindustrie is beginning to replant its older plantations. Officials say that most Ivorian palm oil is used locally, cooking, or as soap produced by Unilever-born, a subsidiary of Unilever.

Cotton output is also on the rise, due to increased prices paid to growers. Government officials say the growth in cotton production will provide a good source of income for inhabitants of the arid northern savannas.

Pineapple production soared last year, with 120,000 tons to be exported, up from 80,000 tons in 1983. Ivory Coast has also success with a variety of smaller export crops including bananas, avocados, citrus fruits, nuts and tropical flowers.

— RICHARD EVERETT



Banana plantation and workers at Agboville.



Rice farmer and harvest.

A Shift in Agricultural Planning Toward Self-Sufficiency in Food Production

ABIDJAN — Agricultural experts say that, while Ivory Coast had a ratio of two rural inhabitants to one city dweller in 1975, by 1990 that ratio will be 0.8 to one. But decisions being made by a new generation of Ivorians are not the only factors creating difficulties for Ivorian government efforts to achieve food self-sufficiency.

An Ivorian farmer producing coffee or cocoa earns the equivalent of \$6 to \$8 a day. A rice grower, however, will bring in about \$2 and is not guaranteed the buyers and marketing system provided for export-crop producers. Choices made by individual farmers reflect the orientation of their government. Even before independence in 1960, the Ivorian leadership was pursuing a strategy of export-led growth based on coffee, cocoa and, later, rubber, palm oil, sugar and tropical fruits. Export revenue provided the capital to partly finance an ambitious investment program, but in 1983 close to 20 percent of the country's import bill was still absorbed by food and animal products.

Rice imports alone have nearly tripled in the last decade and in 1983 they cost the government about \$95 million.

The decision this year to reduce rice imports by about 100,000 tons to 280,000 tons got front-page coverage locally. It is part of the Ministry of Rural Development's program to increase domestic rice production.

The very creation of the Ministry of Rural Development in 1983 reflected the government's recognition that the campaign to grow more food should be under direction separate from the Ministry of Agriculture, whose main efforts are concentrated on export crops.

The government's "Emergency Rice Program" involves large-scale clearing and preparation of land for irrigated rice production. This provides yields about four times greater than those of rain-fed rice, which now accounts for about 60 percent of the country's domestic rice production.

Introducing irrigated rice production also implies the introduction of new technology and

more demanding cultivation techniques. Government rural development agencies will have an increased role to play in providing extension services.

Plans are under way to divide the country into four regional zones to permit better-coordinated control of decentralized activities.

Innovations such as the opening up of new fields and the use of heavy equipment and dams will mean that farmers who are accustomed to tilling their own plots will have to form groups to take advantage of state assistance.

Larger units will also ensure the availability of large quantities of rice in collection areas. The government is trying to encourage the private sector to take over the marketing of food crops, but the prospect of having to take a truck through hundreds of kilometers of bush to pick up an odd sack or two from an individual producer is seen as a major obstacle to improved marketing.

Eighty percent of Ivorian farmers are small producers who cultivate no more than two hect-

ares of land and grow only enough food for their family's consumption. Larger farmers have lacked incentive to produce more rice since there has been no guarantee that they will be able to sell it. When buyers do appear, they often pay less than the government's fixed rate.

The campaign for greater numbers of producers growing greater amounts of food also implies policies to attract new, younger producers to the land.

But agricultural officials admit that they are not in a financial position to fulfill the demands of young farmers who usually want quick returns, good land, extensive government assistance and a decent social life in the vicinity.

With diminishing manpower in general, the government has seen a need to modernize the agricultural system. Less than 10 percent of farmers use tractors. A further 10 percent employ animal power. Clement Assen, director of the government's Agricultural Mechanization Agency, said limited financial resources meant that the government would have to devote most

of its efforts to improving basic farming techniques, such as better use of the soil and fertilizers, while it helps larger farms to better utilize animal power and obtain access to equipment.

Substantial investments have also been made to develop better varieties of rice, corn and other food crops. But while rice consumption has risen because of demands of urban dwellers who need an easily prepared food — as well as by an influx of immigrants who are traditionally rice eaters — consumption of food crops such as plantains, yams and manioc is still strong.

The seasonal nature of these crops, as well as the lack of economical conservation methods, means that at some times of year food lies rotting while at others there are shortages. Without fixed producer prices for these crops, farmers' earnings also fluctuate accordingly. The government's rural development agency, SO-DEFEL, which is responsible for vegetable products, is experimenting with dryers potentially capable of conserving traditional food crops at a reasonable cost.

The minister of rural development, Guy Laubouth Vally, announced recently that Ivory Coast would be able to satisfy its own needs by the end of this year — a highly optimistic assessment implying a costly and well-orchestrated program to achieve changes at points of the food system.

Technical advisers in the Ministry of Agriculture point out that the cost of promoting irrigated rice production means that the country produces rice at twice the cost of imported varieties. But achieving food self-sufficiency is a political goal aimed at lessening dependence on external sources and providing programs stem the drift of people to the cities.

For much of the country's history, government extension agencies have brought messages of assured prices, marketing and assistance to export crops. These agencies are being asked to give equal emphasis, if not more, to food crops, which, as in the case of rice, demand more land and time than perennial coffee and cocoa crops.

— LYSE DOUGLAS

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Tourist Industry regarded as priority sector

Since 1970, the tourist industry has been classified as a priority sector in the Ivory Coast economy after agriculture and industry. The Ivory Coast has therefore made considerable investments. As regards holiday villages: there are two, (Assinie and Assouindé) which are equal to any to be found in other countries and which are operated by two companies, one of which is French and the other Italian.

Among hotels of high standing there is the Hôtel Ivoire, the Sebroko, the President (in Yamoussoukro), the Golf and recently the Hilton International in Abidjan. As regards hotels of international class, the Ivory Coast is well provided for. As far as hotels in the middle range are concerned, the last few years have seen the addition of Ibis I and II, the Hotel Hamanich, the Tiana, etc., a series of most attractive hotels. Hotels in the lower range are at present the priority concern of those responsible in the Tourist Sector who are making an effort to diversify and supply tourist facilities at prices to suit all pockets: village guest houses as well as one and two star hotels. The highway infrastructure has been developed throughout the country facilitating access to every area. The Government of the Ivory Coast is one of the few among African countries who have made a major effort, and the Minister for Tourism in the Ivory Coast has stated that the time has come to look towards private initiative. Moreover, this is what the Government of the

Ivory Coast has been doing for some years now — its role being currently played in the organization of activities in the professional spheres and the encouragement of promotion for the country.

It should be noted that the tourist industry is one of the sectors which is most representative of the Ivory Coast. More than 90% of the facilities may be attributed to the Ivory Coast itself. The same applies to the employees.

The only concern for the sector at present is the lack of tourists. The reason for this, according to professional opinion, is first of all because the Ivory Coast is quite an expensive destination and secondly because of the lack of certain air routes. (For example: to go to Kenya from the Ivory Coast it is sometimes necessary to travel via Europe.) These two major problems were discussed at the 30th S.N.A.V. Conference (Syndicat National des Agents du Voyage Français — National Union of French Travel Agents), which was held during the month of October in Abidjan, attended by the Ministers for Tourism of the participating States in "Air Afrique".

As far as ground facilities are concerned, the Ivory Coast is relatively inexpensive. In response to criticism of high prices, those in charge of tourism in the Ivory Coast point out that the cost of one night in the Hôtel Ivoire is clearly less than in similar hotels in Gabon, the Camerons, Morocco or Tunisia, which nevertheless continue to attract large numbers of tourists. They stress, however, that the standard of service provided by each category of hotel has to be taken into account. Those responsible are of the opinion that the

problem is one of organization. In the Ivory Coast, apart from the State related companies there are no private agencies; companies who handle business and commercial transactions freely in the tourist sector. Travel agencies appear to be just offices for the sale of tickets. Changes need to be made in this respect. By encouraging more and more conferences, which are financed by those who are in the profession themselves, the influx of tourists will give rise to the creation of such companies and thus allow the problem to be overcome.

The Ivory Coast has been elected several times in the person of its Minister for Shipping, Ship's Captain, Lamine Fadika, as spokesman for the 125 member countries of C.N.U.C.E.D. and for 77 of them on questions concerning maritime affairs. This was another token of admiration from the international community for President Félix Houphouët-Boigny and his government for the effort

Important contribution to International Maritime Affairs

put into achieving more efficient control of the national maritime service and accelerating, on international, national and regional levels, the advent of a new worldwide shipping system. The Ivory Coast Minister for Shipping is deeply concerned about the serious imbalance which exists, first of all, in the sector of bulk solid and liquid cargoes which represents more than two thirds of the international maritime traffic

tonnage; secondly, in the field of naval construction which currently shows a surplus capacity with the growth in the number of vessels during this period of stagnation and crisis; thirdly, in the sector of the open registration of vessels which currently concerns almost one third of ships worldwide. As an expert in maritime affairs and a top-rate technician, the Minister, Mr. Fadika, has always been in

favour of significant participation by the developing countries in the transport of bulk cargoes. He reaffirmed the adherence of the 77 members of the group to the principle of an authentic economic bond between the vessels and the Flag States and the collective, corresponding gradual conversion from open registers to normal registers. He also again underlined the determination of the developing countries to encourage the



M. Lamine Fadika progress of their general and bulk fleets with a view to achieving their goal of a 20% participation in worldwide shipping by the year 1990.

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IN ABIDJAN THE ADVANTAGE IS INTER-CONTINENTAL



"Tourism is the best means of expressing our authentic and rare culture. Our ancestral traditions shall never be treated as objects of scorn in the Ivory Coast, neither shall our sensitivity be dealt any blow."

THE IVORY COAST

FÉLIX HOUPHOUËT-BOIGNY
President of the Republic

Côte d'Ivoire Le tourisme vrai



TOURISM

The Ivory Coast, situated in the West of Africa, covers an area of 322,000 km², and is bordered on the northern side by Bourkina Fasso and Mali, on the western side by Guinea and Liberia, on the eastern side by Ghana and on the southern side by the Atlantic Ocean. It has a population of approximately 8,000,000 which is made up of more than 60 ethnic groups.

The economic capital is Abidjan while Yamoussoukro is, and has been since 1983, the political and administrative capital.

As regards the tourist industry the Ivory Coast is developing thanks to the native inhabitants and their local crafts. The variety in the population and the richness of their craftsmanship and folklore explains this effort to develop the tourist industry. In spite of 20 years exposure to the "Outside World", tradition is still very much a way of life and has been preserved in great measure.

There are 8 main areas regarded as tourist attractions.

ZONE I: THE GRAND NORD (main northern sector):

This area is situated around Korhogo, Boundiali and Odienné. The richness of the folklore and craftsmanship in this area is legendary. The traditional and initiation dances such as the M'BOLOHE (Dance of the Panther) and the N'GORON, taken from the Poro ritual, are part of the cultural and national heritage and attract particular attention. The Fakaha canvases, commonly known as the Korhogo canvases, the woven Waraniéne loin-cloths, the authentic village of Blességué, the Kawara Mosque and the Mosque of Kassoumbarga are all sights of international renown.

ZONE II: THE COMOE NATIONAL PARK:

Hunting is not encouraged as part of the tourist industry and the "Bouna Reserve", so called because of its proximity to the town of Bouna, is an animal paradise. Every weekend Safari lovers descend on the Gansé Hotels and the Comoe Safari Lodge by the hundred. An escape which is well worth the trouble after a week's work in the big centres.

ZONE III: THE WEST OR YACOUBA COUNTRY:

This is the mountainous region of the Ivory Coast with a strong, varied and deeply appreciated folklore tradition. The masques, the jugglers and the stilt-dancers of this region all bring to mind visions of deepest Africa. Man, Gouessesso, Danané, Guiglo, Béhoua, are synonymous with the bridges of Lianes, Cascades and Tematé.

ZONE IV: THE CENTRE:

Zone IV is the centre of the Ivory Coast. Here you

can visit the Marahoué Park (lions, elephants, buffalo, hippopotami, etc), the artificial Kossou Lake and the impressive hydro-electro dam of the same name; Bouaké, the second town of this country, is a commercial and cosmopolitan city; Yamoussoukro, Bouafé, Daloa and the region of the Baoulé Gouro and Bété ethnic groups have a rich artistic heritage.

ZONE V: THE SOUTH WEST:

The Atlantic coastline and the South Western region offer marvellous beaches plus the enormous Tai-Nzo Park, a unique combination in Africa since it is rich in various animal species and the vegetation peculiar to this area. It is, therefore, of the greatest interest not only from a scientific but also a touristic point of view.

ZONE VI:

This region is situated not far from Abidjan and includes the regions of Grand-Lahou (a small historical village on the coast), Divo, Lakota and Gagnoa. There are many discoveries to be made here by the visiting tourist.

ZONE VII:

Abidjan, the capital, is a modern and expanding city bordered by the Ebrié lagoon and has its local markets, a museum, a zoo, a casino, a bowling alley and an ice rink. Abidjan, which has excellent accommodation facilities, is the departure point for excursions to the villages bordering the lagoon and other areas of tourist interest in the interior. On the outskirts of Abidjan the Banco Park, which covers 3,000 hectares, offers a rare opportunity for rest and relaxation. A little further on is the Azagny Reserve which can be reached easily by a short flight.

ZONE VIII:

Not far from Abidjan is Assinie, where one can find the best seaside accommodation in the country.

The holiday villages of Assinie (Club Méditerranée) and Assouindé situated between the sea and the lagoon offer the facilities of canoeing, water skiing, horse-riding and underwater fishing and, of course, there are always the beautiful sun-drenched beaches.

But the riches of a country, be they natural or cultural, by themselves cannot make that country a first class tourist attraction if the basic hospitality which matches up to the standards of international tourism, does not exist.

This is why the government has, over the past ten years, worked to ensure that the country has a basic structure of international standing. All the international hotel chains are represented and Novotel, Hilton, Soffitel, PLM, Forum Hotels, Intercontinental Hotels and IBIS together offer more than 10,000 rooms.

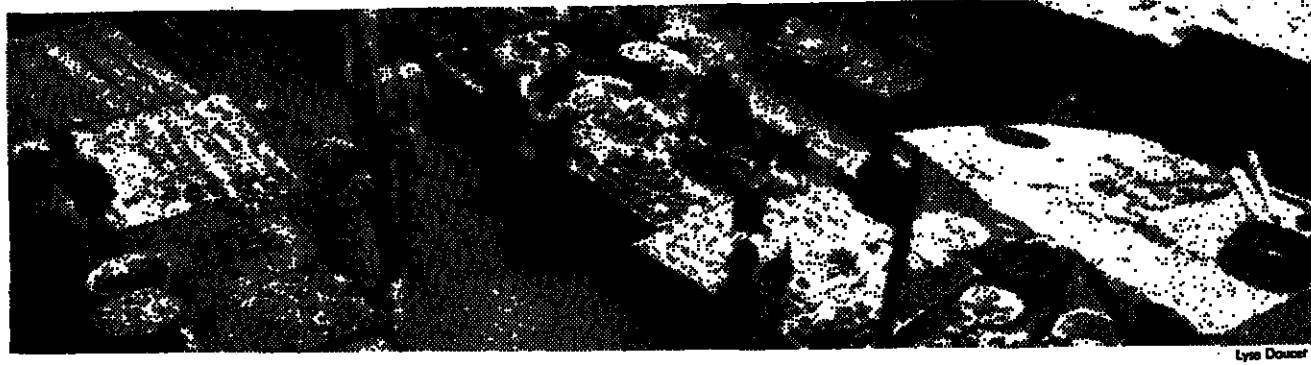
A SPECIAL REPORT ON IVORY COAST



Tribal masks.



A painting commemorating Ivory Coast independence, above, and a rural market, below.



Old and new architecture in Abidjan.

Ivory Coast's Communications Center Is Becoming a Hub for West Africa

Special to the IHT

ABIDJAN—Ivory Coast marked a centennial last year, but the event passed virtually unnoticed. This was an indication of the degree to which the science of telecommunications is taken for granted in a nation that has one of the most advanced telecommunications systems in Africa.

In 1884, France completed the first telegraph line from Grand Bassam, then capital of Ivory Coast, to Jacqueville and Grand Lahoué, two coastal economic centers to the west. Three years later, international communications were launched with the opening of a bureau of the West African Telegraph Company that was connected by underwater cable to Accra, in what is now Ghana.

Over the next 20 years, Ivory Coast was gradually linked to the rest of West Africa. Telephone service was inaugurated between Grand Bassam and Accra in 1909. Direct telegraph service with Monrovia, Conakry and Dakar began in 1912. The first external radio link was completed in 1921.

Development of the Ivorian system lagged behind that of more prosperous French colonies such as Senegal and Guinea. Direct radio links

with Paris were established in 1943. The first automatic dialing system, equipped with 2,000 lines, was installed in 1955. Only in 1959, the year before independence, was a national telecommunications office created as part of an agreement with Compagnie France Cables.

Since independence, however, Ivory Coast has not only developed an internal communications network that is the envy of its neighbors, but it has also become a major regional communications center. The achievement is due in large part to what Ange-François Barry-Battesti, minister of posts and telecommunications, described as a policy of considering telecommunications to be a "privileged tool of economic development in a liberal-type economy."

That policy and considerable capital investment have helped establish a national network of 45,000 telephone subscribers in a nation of nine million people. All cities and most major towns in Ivory Coast have telephone and telex service, 90 percent of which is automated. The regional centers are linked for the most part by microwave. In Abidjan, 50 percent of the system is digital.

The national network is linked to the rest of the world by 500 international cable and satellite circuits, according to ministry technicians.

More than half the established circuits are with France, which provides many connections with the rest of the world. Ivory Coast has what technicians call "direct relations" with 28 other nations. These include 18 circuits with the United States, 11 with Britain and direct links with 12 African nations.

In the late 1970s Ivory Coast inaugurated a data transmission service, SYTRAN (Système Transactionnel de Transmission de Données), that is capable of linking the nation's 1,000 computers with the rest of the world.

As Ivorian telecommunications enter its second century, Mr. Barry-Battesti said, the goal of the Ivorian government is to "strengthen and build upon the country's telecommunications potential, so that it might benefit the entire nation."

"The government is also preparing a new launching, so that Ivory Coast and its African brothers can retain their place in the world of communications," he said. This statement refers to renewed efforts to build an intra-African network, Panafel, aimed at improving telecommunications among African nations via satellite, microwave and cable links. International experts say Ivory Coast is "well on its way

toward fulfilling its assigned tasks" under Panafel.

On the national level, the government is engaged in an extensive modernization and expansion program. Demand considerably exceeds supply. For example, the government believes the number of telephone subscribers will triple by 1990. It is working with a team from the International Telecommunications Union to increase the capacity of the national network. A team from British Telecom is advising on a modernization program for the system in Abidjan, which serves 35,000 of the country's 45,000 telephone customers.

With financing from the African Development Bank, the government plans to install a digital central exchange system in downtown Abidjan and add 10,000 telephone outlets by 1986. The system is designed to replace the electromechanical "Pentaconta" exchange that has been in operation for the last 15 years.

The foremost obstacle to the ambitious growth plan is Ivory Coast's financial difficulties. Severe austerity measures have forced the government to reduce capital investments. The government recently announced a large reduction in its expatriate "technical adviser" staff. Experts say there are a number of Ivorian tech-

nicians qualified to carry out the development program, but many of them may be called to fill vacant positions in senior management. Another criticism is the high cost of services to subscribers, due in part to heavy capital investment in recent years but also to overstaffing.

Nevertheless, despite the economic problems, the political desire for an efficient and modern telecommunications system prevails in Ivory Coast. And an interest in new and appropriate technology persists.

For example, the government is considering

an experiment using optical fiber cables instead of copper. Such cables would be less susceptible to disruption caused by lightning, rust, two major handicaps for telecommunications in a tropical climate.

The proposal illustrates the type of link that, 100 years after the Bassam-Jacques telegraph line, has helped give Ivory Coast national communications system that is envy of the region and external links that are one of the major telecommunications centers in Africa.

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Caisse de Stabilisation

Fund for the Stabilisation and Maintenance of Prices for Agricultural Products

A state company with a capital of 4 thousand million CFA Francs, the Caisse de Stabilisation (Fund for the Stabilization and Maintenance of Prices for Agricultural Products) was placed under the technical guidance of the Ministry for Agriculture and the financial guidance of the Ministry for Economy and Finance. Given its important role in the future of the country, its activities are closely watched by the President of the Republic himself.

The fund fulfils a multiple role. In the first place, it keeps the prices of products purchased, and for which it is responsible, regular and thus ensures a guaranteed return to the planters. This is no longer its only raison d'être. In the second place, just as the agriculture of the Ivory Coast becomes more diversified, in the same way the fund has broadened the scope of its activity and operates on a wider scale than that for which it was originally conceived.

Apart from its function vis-à-vis the planter, it is becoming more and more directly involved at production level and, indirectly involved in the State budget. Over the years, the scope of its function has developed, which means that its role has become more general and less specific. The system of stabilization established by the fund is summed up in the following few lines:

First of all the principle, which is as valid for coffee and cocoa as it is for cotton and coprah (for palm oil several variations had to be introduced):

- The fund bases itself on a minimum purchase price guaranteed to the producer, which is established annually.

- According to the scale or "differential" it then notes all the expenditures occasioned between the collection depot and the loading point and thus determines a theoretical FOB cost price from which a CAF cost price can be obtained (CAF guaranteed).
- The fund guarantees this value to the exporter, regardless of the effective CAF sale price (realised value).
- If the realised value is greater than the guaranteed CAF price, the exporter pays the difference into the fund. In professional jargon this is known as a "reversement" ("repayment" or "transfer").
- If the realised value is less than the guaranteed CAF price, it is then the fund which pays the difference to the exporter. In the same jargon this operation is known as "soutien" ("support").
- The fund also acts as a sales monitor. This sector is obviously within the domain of the promotion and public relations division which performs its task with great vitality.

If the now well known slogan applied to Robusta from the Ivory Coast, "De la force derrière l'arôme" ("the strength behind the aroma") could be adapted in scale to the management of this division, it would undoubtedly read "De la poigne derrière le sourire" ("the punch behind the smile"). For years the Caisse de Stabilisation has been participating in the European fairs specialising in foodstuffs and its brand distributing samples has acquired a certain reputation.

- The main outlets for the Ivory Coast are France, the United States, the Netherlands,

the Federal Republic of Germany and Japan.

- Largest producer of coffee per head of the population, first exporter of Robusta, the Ivory Coast still has a small home consumption, although it is constantly growing.
- The Genetic Division of the Research Centre of the I.F.C.C. in Bingerville has succeeded in producing a hybrid which has been named Arabusta, which is the result of a cross between the Arabica species and the Robusta species, which was no mean feat as the two species are separated by a genetic barrier: the natural Arabica Tetraploid has 44 chromosomes while the diploid Robusta has only 22. The I.F.C.C. of the Ivory Coast therefore undertook to create a tetraploid Robusta by doubling the number of chromosomes. Several attempts were made but with unsatisfactory results either from the point of view of flavour or from the point of view of yield. The basis of the selection process henceforth is to raise the productivity level of this produce to that of the selected Robustas without causing it to lose any of the additional qualities which it possesses. The I.F.C.C. is establishing truly impressive cultivation methods. An experimental plantation of 500 hectares has been created in the Soubre region.

The Ivory Coast has in fact an important role to play, because the new hybrid (which can realise during its period of growth the blends which are at present realised by the roasters) may partially substitute Brazilian coffee or Central American coffee.

Strong Growth in Maritime Services

Given the considerable development of agriculture and industry in the Ivory Coast, the authorities were quick to realize that particular attention had to be given to maritime transport which plays such an essential role in international trade.

The main exports such as coffee, cocoa and palm oil, pineapples, cotton, bananas and rubber are exported by sea routes to Western Europe. In fact 94% of Ivory Coast trade is dependant on maritime transport. In order to cater for this amount of traffic the Ivory Coast set up a series of important installations which include:

The Autonomous Port of Abidjan

It incorporates a large commercial port with a water area of 1,000 hectares with 28 cargo ship berths and three specialized terminals for containers and handles eight million tons per annum. It is the leading container port of Central and West Africa.

Abidjan is also a transit port for countries not on the coast and almost 500,000 tons of goods p.a. are recorded whose origin or destination is Mali, Bourkina Faso and Niger. The extensions which are currently underway will soon double the present capacity of the port.

The Port of San Pedro

"San Pedro is our hope and the stakes are reasonable, we have enthusiasm and faith in the future and the desire to provide our country with an infrastructure which will meet its needs" said the President, Mr. Houphouët-Boigny. The deep water port of San Pedro was established between 1968 and 1971, around which a town has now grown up and a network of roads constructed. The traffic at this port will continue to increase and diversify noticeably over the next years thanks to the new projects which have been completed and those which

are currently being realized in the South West of the country.

The Ivory Coast Shipping Office

The Ivory Coast Shipping Office is under the guidance of the Ministry for Shipping. Its activities concern the rationalization of all aspects of the maritime service in the Ivory Coast and its basic aims are the stabilization of freight charges and the development of the Ivory Coast navy. Cargo reservations made at the Ivory Coast Shipping Office have allowed the national shipping industry to play an effective role in the transport of goods of originating from and destined for the Ivory Coast. Hence, SITRAM has been able to refurbish and increase its fleet thanks to the regulations on traffic.

A private shipping company with the State holding the majority of the shares, SIVOMAR (Société Ivoirienne de Navigation) Maritime contributes to the national effort which aims to cover more than 20% of the external trade in the very near future.

SISA, (Sitrans International Shipping Agencies) is an international mixed investment company which provides the framework for a concentrated effort to rationalize the port traffic in Ivory Coast.

Finally, there is SIET-RANS which constitutes a major step forward for the public companies in the Ivory Coast because it gives them access to precise, complete information as regards all the details of costs for the international transport of goods.

IDREM

L'Institut de Documentation, de Recherches et d'Etudes Maritimes (The Institute for Maritime Information, Research and Study) is an organization for discussion, analysis and liaison.



CAISSE DE STABILISATION
ET DE SOUTIEN DES PRIX DES PRODUCTIONS AGRICOLES

SOCIÉTÉ D'ÉTAT AU CAPITAL DE 4.000.000.000 FRCS C.F.A.
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R. G. 4370 ABIDJAN

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AGRICULTURE

An outstanding example of the "Green Revolution" in progress



President Félix Houphouët-Boigny
Father of the Nation
Also the leading planter and largest
producer of coffee in the Ivory Coast

President Félix Houphouët-Boigny was born in 1905 in the Ivory Coast and graduated as a doctor from medical school in Dakar.

He was a country doctor and then he was summoned by his family to succeed as Chief of his village.

Having now become a planter, he organised a Trade Union and succeeded in winning the abolition of forced labour.

He then sat as a Député in Paris from 1946.

He was Minister of Health in the French Government of 1956, then Minister of State under Général de Gaulle and one of the founder signatories of the Constitution of the Fifth Republic.

He became President of the Ivory Coast in 1960 and has been re-elected regularly since that date.

"It is our agriculture which alone is the solid and natural basis of our industrialization" President Félix Houphouët-Boigny 7 December 1966

In 1960 at the time of its independence, the economy of the Ivory Coast was based essentially on agriculture and 90% of commerce was dependent on three products: coffee, cocoa and wood. These products were moreover generally exported in their raw form without local processing. The problem with which those in authority were faced therefore was twofold:

- To diversify agriculture both in an effort to lessen the predominant role of coffee and cocoa and to produce certain food products locally which up to then had been imported at great expense (oil based products, rice, sugar, meat) and to reduce the regional differences as much as possible.
- To substitute the export of raw products with that of finished or semi-finished products and to produce locally a certain number of manufactured goods such as textiles or fats for foodstuffs.

This double concern was behind the launching of three large-scale agricultural development operations based on the rice and cotton cultivation in the North and the cultivation of palm and coco-palm oil in the South.

Industrial Plantations

Thus in 1962 the palm programme was commenced and in 1967 the coconut palm programme started. The strategy adopted was established on the following bases:

- a central factory to deal with production
- an industrial plantation realised and operated to best advantage by Palmindustrie in an effort to ensure a minimum supply to the oil store and also to demonstrate the efficacy of modern cultivation techniques to the planters
- individual plantations realized by farmers within the economically developed area in the vicinity of the factory.

The Small and Medium Agricultural Enterprises (PMEA)

These enterprises may be defined as medium sized plantations (50 to 300 hectares) in between the industrial plantations and the village plantations (5 to 10 hectares). At present, five engineers who have completed their agricultural training programme are already going ahead with installations on the land.

It is therefore hoped that by promoting small and medium agricultural enterprises it will be possible to create a generation of independent, modern agricultural operators entirely capable of managing their future in the Ivory Coast. These new agricultural operators will be the models for the improvement and rationalisation of the agricultural sector. Thus, between the years 1986 and 1990 an initial programme of 7,000 hectares of palm plantation will be realised according to this scheme.

Agricultural and industrial projects realised

- Industrial palm plantations 52,000 hectares
- Village palm plantations 38,000 hectares
- Industrial coco-palm plantations 19,000 hectares
- Village coco-palm plantations 10,000 hectares
- Total plantations 119,000 hectares
- Twelve palm oil works of a total capacity of 420 ton pressure per hour
- 1 oil works for grinding cabbage-palm and coprah kernels of a capacity of 350 ton/day for coprah and 280 ton/day for cabbage-palm.
- one coprah factory almost completed
- two storage depots in Abidjan and San Pedro
- 8,000 head of cattle, N'Dama and Baoule breeds
- 6,000 kms of highway
- 55 villages fully supplied (water - electricity)
- 32,000 jobs created
- 200,000 persons involved
- 11 thousand million CFA francs income distributed in 1984 (Palmindustrie planters and personnel).

Investment

83.4 thousand million CFA francs distributed as follows:

- agricultural infrastructure 45.0
- industrial infrastructure 24.2
- public and civil infrastructure 14.2

Over the period 1983/1990, the total sum of investments is estimated at 160 million US dollars of which 40% would be found in own resources.

Financing

(distributed in million CFA francs)	
Company capital	3,360
Republic of the Ivory Coast	19,203
Banque Mondiale	10,658
European Development Fund	8,207
European Investment Bank	5,486
Caisse Centrale de	
Cooperation Economique	4,195
Other (BICICI, SGBCI, BNDA)	4,477
Self-financing by Palmindustrie	27,814
TOTAL:	83,400

Conclusions

The results obtained from establishing the palm project makes it possible to draw up quite a positive balance sheet.

1. The oil-producing perennials are the best sources of oil for humid tropical Africa. Indeed, by virtue of their high productivity they use relatively limited surface area compared to that used by other types of cultivation. Moreover as permanent tree plantations they ensure a

covering of vegetation which could be compared to that of forest formations which is a factor in favour of the natural equilibrium.

2. From an economic point of view it should be noted that 14,000 jobs were created and all the industrial and agricultural infrastructures constructed should also be taken into consideration. Likewise, the processing of raw materials subsequently permitted the creation of a flourishing processing industry. All these products enable considerable savings to be made on the foreign exchange; the portion of goods exported makes it easier to maintain the stability of the trade balance.

3. The results obtained likewise prove the sound basis of the strategy adopted from the beginning, that is, the re-arrangement within agro-industrial groups co-existing in harmony: village plantations, industrial plantations and an oil works plant.

4. The structure responsible for the running of the whole programme has resources at its disposal from marketing its products. It is therefore under tight control restricted on the one hand by marketing laws and by international competition on the other. Moreover, the strict control of the operation is guaranteed by virtue of the association of private international partners.

Production of Coffee has tripled in 25 years

Over the last 25 years since the fund began operating, the coffee crops in the Ivory Coast have substantially increased in volume, although at an irregular rate. Several bad harvests were registered because of particularly unfavourable weather conditions.

The adherence of the Ivory Coast to the long term international agreements and the scantiness of the quota granted to the Republic by virtue of this in 1963 and 1968 has meant that for several years the country has taken a cautious view as regards extending the cultivation of coffee. It turned its attention, before all else, to compensating for certain coffee plantations which were ageing and deteriorating — considered alarming by the official departments — by new plantations and progressively the traditionally extensive agricultures with a more intensive cultivation.

Cocoa

Cocoa is the most important export from the Ivory Coast, ahead of coffee, wood... With an average production of 400,000 T, the Ivory Coast is the biggest producer of cocoa in the world.

Five countries, of which four are African, ensure 3/4 of this production estimated at approximately 1,670,000 tons. The distribution is approximately, the Ivory Coast 25%, Brazil 20%, Ghana 12%, Nigeria 10% and the Camerouns 7%. However, over the last ten years the African portion has decreased from 73% to 60%. The slump in production in Ghana and the large decrease recorded in Nigeria have not been entirely counterbalanced by the explosion in production in the Ivory Coast. As things stand at the moment however, the Ivory Coast is the only sure supply source, and this explains why all the large importers prefer to establish relations with the Ivory Coast which will enable them to ensure that their factories are never without supplies.

The President Félix Houphouët-Boigny declared to American chocolate manufacturers who had come to explore the potential of the Ivory Coast in the month of December, 1984: "The Ivory Coast is not about to lose its high standing position as the largest producer of cocoa in the world. It is prepared to maintain the production in quantity and quality. For this it needs the confidence and the assistance of the

chocolate manufacturers, those true professionals down the line in the cocoa industry. We as producers and you as consumers have the same interests to defend".

Cocoa is marketed in the same way as coffee, (internal purchases by the processors on behalf of approved exporters at prices which are guaranteed by the fund) which poses the same finance problems which are resolved using the same banking technique. Obviously there are differences as regards the prices guaranteed and the percentages of the purchase quotas attributed to the exporters. The supervisory division for marketing fulfils the same role for cocoa as it does for coffee (supervising purchases at collection centres, regulating operations from these centres, delivery of consignment notes, spot road checks, fixed checking points at "Dabou" and "Azagule"). As regards cocoa, the internal concern the humidity rates which are calculated with a hydro-meter and checks for mould (not more than 6%).

Rubber Plantations

The production of rubber, which increases in relation to the scheduled tapping of the trees and will evolve accordingly as the trees grow older, will gradually increase from 294 ton a year in 1979/80 to almost 30,000 ton in 1990. This level should subsequently be maintained over a period of twenty years before beginning to decrease up to the year 2018 when it is possible that the plantation might be completely replanted. Over the entire duration of its life span, the plantation should thus produce 866,000 ton of dry rubber which, calculated at the present rate of 495,000 FCFA a ton gives a turnover of 428 thousand million FCFA.

Market Prospects

The cultivation of rubber is at present one of the most promising sectors in agriculture in the Ivory Coast. The medium and long term prospects on the world market are good, given that an increase in the demand for natural rubber is expected and that the high demand is expected to continue once the present world recession reaches an end. On a national level, apart from the advantage as regards the diversification in agriculture, the cultivation of rubber would seem to be a suitable alternative and one which is acceptable from an ecological point of view, which would prevent over working the forests and/or which would yield satisfactory returns on investment in capital and labour. Moreover, the national production, whatever its expected volume, would not have any significant effect on world supply.

All the economists are of like opinion, deeming that natural whose market price is partially affected by the cost price of synthetic rubber from the petrochemical industry, and whose utilisation is a direct result of transport operations in world economy, represents one of the most promising agricultural products of the future.

The World Bank is of the opinion that the market price of rubber between the years 1985 and 1995 should progress by 2% per year in relation to the steady dollar, which in francs CFA* would mean an increase well above the rate of inflation. (*1 FCFA = Dollar US)

The results presented above are in fact the outcome of an understanding based on the close cooperation, regrouping the research organisation, those responsible for the programmes and finance establishments under the care and guardianship of the competent authorities (The Ministry for Agriculture, Waters and Forests), in a stable political atmosphere which has reigned in the Ivory Coast since gaining independence, already over 25 years ago.

A MESSAGE FROM THE MINISTER FOR AGRICULTURE, WATER AND FORESTS

Our development must begin with home processing of our products in order to share the added value. In order to achieve this it is necessary first of all to resolve the problem of unsuitable training methods whereby the transfer of technology becomes a simple technical veneer. Training should be brought back home. Why should Ivory Coast nationals go abroad to learn how to process cocoa or palm oil? Financing is also not adapted and sometimes results in absolute financial disasters. There are therefore two important courses which should be pursued by developing countries:

Suitable training — in the Ivory Coast we are thus going to repatriate training procedures which we were researching abroad, although it may mean supplementing these with new formulas — and suitably adapted financing thus allowing us to play a competitive role.

Finally, in the recovery stage, it will be necessary to monitor the markets in order to have the possibility of investing in developed countries. We ourselves have experimented with the company "Cacao Barry" ("Barry Cocoa").



Photo: Fathi Mahouachi

Denis Bra Kanon
Minister of Agriculture, Water and Forests

Businesses from cocoa producing countries must be able to invest at subsequent stages; they could therefore profit from the business spread and even bring the profits back home.

The mixed economy company SO.G.B., which has a capital of 21,601,840,000 FCFA, operates one of the biggest rubber plantations in the world in Grand-Béréby which directly supports a population of 20,000 people. It is a profitable and flourishing concern with an important role in the Ivory Coast economy on a national as well as a regional scale.



M. Dogoni Bema, Director General of SO.G.B.

Investment of more than 30 billion FCFA

Investments prior to 30/9/82 concern the actual creation of the plantation (cultivation of the land, planting, maintenance, basic infrastructures and factory). The sum was obtained by the SO.G.B. from the shareholders and was estimated at 24,601,840,000 FCFA in 1982. Financing the project had been assured by the World Bank, the Caisse Centrale de Cooperation Economique, the European Development Fund and the General Company of Michelin Enterprises.

Investments from 1/10/82 to 30/9/85 cover following up maintenance programmes, immature crops, setting up tapping operations and the necessary infrastructures and expansion of the factory. This is financed on the one hand for the sum of 7.5 billion FCFA by the World Bank and the Caisse Centrale, the SO.G.B. assuming responsibility for repayment of these loans, and on the other hand by a grant of 1,130 billion FCFA from the BSIE.

Investments after 30/9/85 will be for the last tapping operations to be set up. Renewal of material must be financed by local loans negotiated and managed by the

Société des Caoutchoux de Grand-Béréby

One of the largest rubber plantations in the world

SO.G.B. itself as the company will then be financially capable of this.

The Opinion of the World Bank

In its Report of June 83, which served as a basis for granting the loan for the IVth Rubber Cultivation Project, the World Bank made the following observation regarding the overall period 1973-1982:—

"While the first Grand-Béréby Project (1973-82) was confounded by multiple technical and administrative problems (as well as the unforeseen inflation rate), the second Grand-Béréby Project (1978-82) was successfully realised. In October 1981, 13,500 hectares were already planted, one year ahead of the work schedule. Thanks to the excellent quality of the plantation, the time necessary for the trees, which are now being tapped, to mature is on average 5.5 years instead of the 7 year period on which the evaluation was calculated. Present production is approximately 14% greater than forecast in

the evaluation. Grand-Béréby now has an adequate work force at its disposal and the excellent training programme for those who tap the trees could serve as an example for other industrial plantations in the Ivory Coast and West Africa."

Comments

Taking the business years 81/82 and 82/83 together, the SO.G.B. results were better than expected by the World Bank.

From 88/89, the accrued profits having made up the accrued losses, the net accrued result becomes positive and it is possible to think in terms of the first dividend of 1 billion FCFA after payment of the BIC taxes for the amount of 2,715 million FCFA.

The year 94/95 represents a typical year in the period of growth: annual dividends of 3 billion FCFA, BIC taxes of 4 billion FCFA.

For an initial investment estimated at 24.6 billion FCFA in 1982, the SO.G.B. shareholders should, between 1988

Profitability of the SO.G.B.

The forecasts below are in current FCFA up to the year 1990 and in fixed FCFA for the following years; the course of rubber follows the highest forecast up to the year 1990 and remains at the 1990 level for the following years.

The table is established on the basis of data extracted from the study of financial profitability carried out by the World Bank (June 1983) in conjunction with the SO.G.B. for the basic factors involved. The possibility of replanting the plantation from the year 2010 is not taken into account.

In millions	81/82	82/82	88/89	94/95	From the Creation to 2015	Annual Average Forecast
Gross margin for self financing	165	78	(90)	117	7,970	11,570
Net annual result	(566)	(524)	(1,058)	(598)	6,051	9,078
Net accrued result	(862)	(820)	(1,920)	(1,418)	7,287	46,274
BIC Taxes	-	-	-	-	2,715	4,083
Dividends	-	-	-	-	1,000	3,000
						90,500
						2,104

and the year 2015, receive dividends amounting to 90.5 billion, not to mention the 103 billion which the Ivory Coast State will gain in the form of BIC taxes. In order for the net profit to be nil it would be necessary either for sales to be reduced by 50% or for costs to rise by 78%; the conclusion to be drawn from this estimation is that the company has quite a substantial profit margin,



Cultivating rubber in a village plantation

especially in the knowledge moreover that the SO.G.B. is at present operating with tapping costs (which will be basic costs when the plantation is being tapped) which are much less than the expected costs.

Conclusion

While building up a recognised technical achievement, contributing to the variation of the economy of the Ivory Coast on structural and regional levels and ensuring social and economic promotion programme involving thousands of workers, the SO.G.B. represents an enterprise capable of ensuring a proper return on the capital invested and likewise capable of contributing, to a very considerable extent, to the national wealth of the Republic of the Ivory Coast.

Registered Office:
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Invest in the Ivory Coast



Welcome to the Ivory Coast

The Ivory Coast has doubled its population in one generation. This is due as much to an exceptionally high birth-rate as to a continual stream of immigrants coming into the country.

Our brothers from Burkina Faso make up the greatest number of immigrants while our neighbours from Mali, Guinea and Ghana have come to try their luck and a great number of them have stayed.

The Ivory Coast needs a good number of technically qualified people to ensure its development, that explains why the European population is five times larger than it was in 1960.

Finally, the size of the Lebanese community has increased considerably in recent years as the President, moved by the plight of the refugees from the dislocation and upheaval of the Civil war in the Lebanon, opened the frontiers of the Ivory Coast to many of them.

Investment in the Ivory Coast

- Full facilities for transferring capital out of the country.
- An extremely flexible taxation system.
- Tax free entry for machinery and raw materials used for production.
- Investment rules that are the most liberal in French-speaking Africa.

Useful Addresses

ABIDJAN

Ministère de l'Economie, des Finances et du Plan
Direction Générale des Douanes BP: V 163 Direction Générale de l'Impôt BP: V 103
Direction Générale de la Planification BP: V 65 Direction de la Prévision BP: 650
Direction de la Statistique BP: V 55 Direction Centrale des Marchés BP: 169
Service Autonome de la Documentation, des Archives et des Publications BP: V 125
Caisse Autonome d'Amortissement BP: 670 Ministère de l'Information BP: V 138

Ministère des Travaux Publics, des Transports, de la Construction et de l'Urbanisme BP: V 6
Ministère du Commerce BP: V 142 Ministère de l'Agriculture BP: V 82

LONDON: Ivory Coast Embassy, 2 Upper Belgrave St., London, S.W.1. Tel: 235 6991

PARIS: Bureau Economique de la Côte d'Ivoire, 24 Boulevard Suchet, 75116 Paris. Tel: 524.43.28

NEW YORK: Economic Bureau of the Ivory Coast, 117 East 55th Street, New York, N.Y. 10022

The Liberal Economic Climate of the Ivory Coast

The liberal economic policies of the Ivory Coast have been even more developed.

— On the economic level by the dissolution of a great number of the parastatal companies and the sales of their shares to the private sector an effort has been made to make them more efficient by letting them work freely and be subject to market forces.

— On the political level, by allowing a free choice of candidates to all levels of party and administrative posts, younger blood is therefore brought into the responsibilities of government.

From now on, the President can count on a solid team of technocrats who enjoy the confidence of the people and who will be able to maintain the main tenets of his policies.

THE INVESTMENT CODE

LAW NO. 84 - 1230 of 8 November 1984 Establishing the Investment Code.

THE NATIONAL ASSEMBLY has adopted,
The PRESIDENT OF THE REPUBLIC
decrees as law the following,

SECTION - I SCOPE

ARTICLE 1

Persons or corporate bodies from the Ivory Coast or abroad who carry on any activity specified in Article 2 below, in the Ivory Coast, within the framework of an enterprise constituted in accordance with the legislation of the Ivory Coast are deemed of general guarantee which derive in particular from Section II of this Code and may, in addition, benefit from the particular advantages defined in Section III below.

ARTICLE 2

This Code shall apply to all enterprises, including small and medium concerns which carry on their business in one of the following sectors:

- Cultivation, fishing and farming industries, related activities such as processing of products of animal or vegetable origin;
 - Manufacturing production or processing activities;
 - Research, extraction or processing of mineral substances;
 - Energy production;
 - Realisation of accommodation programmes of a social and economic nature;
 - Storage and market preparation of foodstuffs and agricultural products.
- Small and medium sized enterprises may, in addition, benefit from the provision of this Code if they carry on activities which provide services in one of the following sectors:
- maintenance or assembly of industrial equipment;
 - market preparation of unprocessed products;
 - laboratory tests or analysis of raw materials, finished products or semi-finished products used or produced in industry.

ARTICLE 3

For the purposes of implementation of this Code, those businesses which cumulatively fulfill the five following conditions shall be considered as small and medium enterprises:

- to present an investment programme for an amount fixed by decree;
- to employ, as much for current activities as for the investment to be realised, a number of permanent wage-earning employees fixed by decree;
- to be duly constituted as an individual business concern, as a commercial company or a cooperative and to satisfy the legal obligations as such;
- to keep regular accounts regardless of the turnover realised;
- to satisfy the general obligations listed under Article 13 of the present Code.

ARTICLE 4

Small and medium businesses, whose investments are entered as part of the Plans d'Actions Prioritaires (Priority Action Plans), as defined in the Decree from the Council of Ministers, may benefit from the provisions of this Code even when their activities do not fall within the sectors specified in Article 2 or when they do not fulfil one of the conditions relating to the minimum number of jobs or the minimum investment sum as stipulated in Article 3 above.

ARTICLE 5

The present Code shall apply to persons or corporate bodies from the Ivory Coast as well as persons or corporate bodies from abroad, by virtue of their activities in the Ivory Coast or their shares in the capital of Ivory Coast companies.

ARTICLE 6

The provisions of this Code shall not interfere with more general guarantees and benefits provided for by treaties or agreements entered into, or which may be entered into, between the Ivory Coast and other States.

SECTION II GENERAL GUARANTEES

ARTICLE 7

Private investments shall be freely effected in the Ivory Coast, subject to the specific conditions aiming, in particular, to ensure the protection of public health and sanitation, the protection of trade or the public economic policy.

ARTICLE 8

The persons or corporate bodies specified in Section I of this Code shall receive, subject to the conditions of Section III, equal treatment as regards the right and obligations resulting from the legislation of the Ivory Coast and concerning the activities as defined in Article 2 above.

By virtue of this, persons or corporate bodies from abroad shall receive identical treatment to persons or corporate bodies from the Ivory Coast, subject to the measures relating to all foreign nationals and implementation of the same equal treatment by the State from which the foreign person or corporate body in question originates.

The persons or corporate bodies from abroad shall receive equal treatment subject to the provisions of Treaties and Agreements concluded between the Ivory Coast and the other States.

ARTICLE 9

Persons or corporate bodies who are non-resident in terms of the exchange regulations and who make investments in the Ivory Coast in convertible foreign currency, have the right of transfer to the State in which they are resident of the returns of any nature as a result of the capital which they have invested as well as the return from winding up the investment.

ARTICLE 10

Any dispute between a person or corporate body from abroad and the Republic of the Ivory Coast relating to implementation of the present Code shall be settled in accordance with an arbitration and conciliation procedures resulting:

- either from treaties and agreements relating to the protection of investments concluded between the Republic of the Ivory Coast and the state from which the person or corporate body concerned originates;
- or from a conciliation and arbitration agreed between the parties;
- or from the Agreement of 18 March 1965 for the Settlement of Disputes concerning Investments between States and those of other States, drawn up under the care of the Bureau International pour le Restructuring and Development and ratified by the Republic of the Ivory Coast by virtue of the Decree No. 65238 of 26 June 1965;
- or, if the body concerned does not fulfil the conditions concerning nationality as stipulated in Article 25 of the aforementioned Agreement, in accordance with the provisions of the regulations Mécanisme Supplémentaire (Supplementary Facility), approved by the governing board of the Centre International pour le Règlement des Différends relatifs aux Investissements (CIRDI) (ICSID), International Centre for the Settlement of Investment Disputes. The assent of the parties to submit to the authority of the ICSID or the Supplementary Facility, as the case may be, required by the laws governing these latter shall, in the case of the Ivory Coast be established by this Article and, in the case of the body concerned, be expressed specifically in the request for consent.

SECTION III PRIORITY BUSINESSES

Chapter I - Common Provisions

ARTICLE 11

The businesses referred to in Articles 2, 3 and 4 above may request to be granted priority status with a view to benefiting from the advantages defined in this Section.

ARTICLE 12

The businesses may be granted priority status by virtue of investments made on the occasion of:

- establishment of an operation, the expansion and development of an existing activity;
- or a restructuring programme, as soon as these investments coincide with the development of the sectors specified in Article 2 above and offer financial and technical guarantees and a satisfactory economic profitability.

ARTICLE 13

The request for status as a priority business shall be supported by a file containing all the useful information for a legal, technical and economic analysis of the project.

The request for priority status shall likewise involve the obligation of the business in respect of the following general conditions:

- to give priority to the use of materials, raw materials, products and services from the Ivory Coast, insofar as these are available and are equal, as regards price, quality and other details, to goods of foreign origin;
- to use and ensure the training of specialised executives and employees from the Ivory Coast;
- to develop the national and international standards of quality applicable to the goods and the services which form the subject of its activity;
- not to alter the ecological conditions, in particular, the environment;
- to have a body of accounts available to ensure, thereby, respect of the laws, regulations and provisions and their correct application in the matter concerned and, when necessary, to isolate those operations relating to the activities benefiting from priority status from the other activities of the business;
- to observe the provisions laid down by law relating to the deposit of the agreements and contracts concerning the rights of industrial ownership or the acquisition of technology;
- to submit the information required to verify observance of the conditions required for priority status to be granted.

ARTICLE 14

The status of priority business is granted by Decree issued by the Council of Ministers upon notification from the Commission Interministérielle des Agencements Prioritaires (Interministerial Commission on Priority Status), the composition and methods of the business in question being defined by Decree.

The Decree of priority status defines, in particular:

- the purpose, contents, location and period of realization of the investment;
- the particular obligations of the business to which priority status has been granted;
- the nature and duration of the benefits granted;
- when necessary the arbitration procedure which shall be applicable.

ARTICLE 15

The Minister for Industry shall ensure that the businesses which are granted priority status shall observe the obligations to which they are committed.

Failure to observe these obligations shall result in the partial or total forfeiture of the benefits granted under priority status, by Decree issued by the Council of Ministers, to be reckoned from a date specified in the said Decree. This penalty may only be effected further to a notification followed by a grace period, in order to allow the failures or defaults which have been noted to be remedied within a reasonable space of time.

ARTICLE 16

Priority status shall be granted for a period of time which shall vary as a function of the zone where the investment is to be realised vis-à-vis the regions. For this purpose, the territory of the Ivory Coast shall be divided into three zones which shall be known as A, B and C defined by Decree.

The duration of the priority status is:

- 7 years for investments made in zone A
- 9 years for investments made in zone B
- 11 years for investments made in zone C.

The provisions of the present Article may be amended by virtue of an agreement concluded between the State and the concerns to which priority status has been granted, although the duration of the period for which priority status may have effect may not be more than fifteen years.

This period shall be extended by the realization periods of the investment programmes as indicated in the Decree granting priority status or the aforementioned agreement.

Chapter II - Benefits Granted

ARTICLE 17

Priority status businesses shall benefit from exemption from customs duties and entry taxes, by virtue of the realization of their approved investment programme, or:

- materials, apparatus and equipment necessary for the realization of the investment;
 - specific spare parts for the imported equipment which shall be limited to an amount equal to 10% of the CAF value of the equipment in question for operations located in zone A, 20% for a zone B location and 30% for a zone C location.
- The following items may not qualify for exemptions provided for under the present Article:
- materials, apparatus and equipment, whose equivalent may be found in the Ivory Coast and which is as readily available, from the point of view of quality, price (incl. of tax) and time, as those of foreign origin;
 - vehicles used for the transport of personnel and those intended for the transport of goods;
 - movable goods.

ARTICLE 18

Priority status businesses in the agro-industrial sector which are not subject to value added tax may reject this arrangement and choose instead to be subject to V.A.T., either at the normal rate or at a reduced rate on implementation of the cut-off regulations.

ARTICLE 19

The registration charges applicable in accordance with Article 588 of the General Code on taxes on capital gained by the creation or increase of the capital of a company which has been granted priority status, by virtue of the realization of its investment programme, shall be reduced by fifty percent for the period of duration of its priority status.

ARTICLE 20

- Priority status businesses are exempt during the period of their priority status, from the following charges, duties and taxes:
 - taxation on industrial and commercial profits;
 - trade and licence contributions;
 - land and building taxes on properties constructed and taxes on property in maintenance.

In any event the duration of the exemption period may not be less than that provided for under common law in force at the time of granting priority status.

- For cases other than those specified in Article 18 above, priority status businesses which are not subject to value added tax may reject this arrangement and choose instead to be subject to V.A.T., either at the normal rate or at a reduced rate on implementation of the cut-off regulations.

The exemption from charges, duties and taxation referred to above shall be total up to the end of the third year prior to the last year of the period of exemption. Further to this the exemption shall be reduced:

- to 75% of the taxes normally due for the second year prior to the last year of the period of priority status;
- to 50% of the taxes normally due for the penultimate year of the period of priority status;
- to 25% of the taxes normally due during the last year of the period of priority status.

ARTICLE 21

Businesses which are granted priority status by virtue of the creation of production or processing activities shall benefit from assistance related to the value added in the Ivory Coast.

The sum of this aid shall vary depending on whether it concerns a small or medium business and as a function of the location of the investment.

The aforementioned relief relating to the value added in the Ivory Coast shall be graduated during the first five years of operation.

It shall be calculated by applying a percentage fixed by Decree on the total annual wages paid to permanent Ivory Coast personnel.

This assistance, determined on a monthly basis by application of the percentages indicated in the Decree, shall be considered as a tax credit deductible from the contribution to be paid by the employers, due for the same period. If the case arises, the excess tax credit may be recuperated on a budget line entered in the fiscal Appendix of the Loi de Finance (Financial Law).

Chapter III - Business Agreements

ARTICLE 22

Businesses realizing a project which is of exceptional social and economic interest as regards the development of the country requiring a certain investment sum, fixed by Decree may be permitted to conclude a business agreement with the State.

ARTICLE 23

The business agreement shall define, in particular:

- the purpose, contents, location and period of realization of the investment programme;
- the fiscal benefits and other benefits of a different nature and scope granted by the State to the business as well as the duration of their application;
- the obligations which the business benefiting from the said benefits shall undertake to fulfil in return;
- the surveillance and the terms of this surveillance which the authorities may carry out in respect of the business which is the beneficiary;
- the conditions in which the agreement may be revised at the request of the parties;
- the arbitration procedure which shall be put into effect in the event of any dispute between the parties.

ARTICLE 24

Concerning customs duties and taxes and turnover tax, the business agreement may not include any benefits which differ from those defined under Articles 17, 18, 19 and 20.2.

Furthermore, the business agreement may not include any obligation on behalf of the State which undertakes to make good losses, charges or loss of earnings to the business which may arise through technical evolution or the effect of economic cycle on any factors which are natural or inherent in the nature of the business. Any clause contrary to the provisions of this Article shall be considered as null and void.

ARTICLE 25

Business agreements may be signed by persons or corporate bodies from abroad with shares in the capital of Ivory Coast businesses realizing an approved investment.

They shall only take effect after the Decree which concerns them has been issued, by the Council of Ministers upon notification from the Interministerial Commission for on priority status.

SECTION IV FINAL PROVISIONS

ARTICLE 26

Businesses which benefit from the advantages provided for by Law No. 59/134 of 3 September 1959 and subsequent texts shall remain subject to the said law until the expiry of the effect of the said benefits.

Businesses which have not, at the time of publication of the present law in the Official Journal of the Republic of the Ivory Coast, been granted priority status by virtue of the provisions of the aforementioned Law No. 59/134 of 3 September 1959, may take advantage of the benefits provided for in the present law if they fulfil the conditions which are prescribed in this law.

ARTICLE 27

All former provisions contrary to the present law, and in particular the provisions of Law No. 59/134 of 3 September 1959 laying down the arrangements for private investment in the Republic of the Ivory Coast, are repealed, with the exception of their temporary application as provided for in Article 26 above.

ARTICLE 28

The procedures for implementation of the present law which shall be published in the Official Journal of the Republic, shall be specified as required by Decree.

ARTICLE 29

The present law shall be effected as State Law and shall be published in the Official Journal of the Republic of the Ivory Coast.

Abidjan, 8 November 1984

AMENDMENT OF THE INVESTMENT CODE

1. AMENDMENT OF THE INVESTMENT CODE

THIS AMENDMENT HAS BEEN RATIFIED BY A LAW OF 30 OCTOBER 1984, WHICH HAS NOT YET BEEN PUBLISHED IN THE OFFICIAL JOURNAL. AN APPLICATION ORDER DATED 8 NOVEMBER 1984 LIKEWISE SPECIFIES CERTAIN PROVISIONS OF THE NEW INVESTMENT CODE.

1.1 Main amendments:

Compared to the provisions of the Law of 3 September 1959 covering the investment code, the basic amendments are as follows:

- The fiscal benefits shall be regulated according to the geographical region where the investments are located;
- assistance shall be granted as a function of the total salary paid to wage-earning employees from the Ivory Coast;
- certain exemptions (BIC taxes) shall, henceforth, be degressive;
- automatic exemption from entry duties on raw materials shall not be provided for;
- the P.M.E. (Petites et Moyennes Entreprises: small and medium businesses) shall, henceforth, have access to certain benefits provided for by the Code.

1.2 Scope of application:

The new provisions shall apply to businesses (including the P.M.E. (small and

medium businesses)) carrying on operations in the key sectors of the economy, such as:

- industrial cultivation, fishing and farming, processing operations relating to agricultural products;
- manufacturing operations;
- prospecting and mining of mineral substances;
- energy production;
- construction of accommodation of an economic and social nature (uniquely);
- storage and market preparation of foodstuffs and agricultural products.

Furthermore, small and medium businesses and they alone, may take advantage of the tax benefits when they carry out operations in the following sectors:

- However, exemption is reduced to 75%, 50% and 25% over the last three years prior to the end of the period of priority status;
- aid in respect of the value added in the Ivory Coast according to a graduated percentage on five (5) years (which shall vary according to the zone) applied on the sum total paid to wage-earning Ivory Coast employees (but on the basis of assessment which shall be limited to 3 times the annual S.M.I.G. (guaranteed minimum wage)).

Assistance is increased by 50% for the small and medium businesses.

1.3.4. Definition of the P.M.E. (Small and medium businesses)

This concerns businesses whose investment programme (exclusive of

V.A.T. which may be recovered) is between 40 and 200 millions CFA Francs, and whose number of permanent wage-earning employees may vary between 5 and 50.

1.4 Business agreement:

Businesses whose investment programme in one of the sectors of activity specified by the Code is greater than 5 thousand million CFA Francs, may enter a business agreement with the State which will allow them to take advantage of tax benefits of a more substantial nature than those provided for in the preceding paragraph and in particular achieve a "stable" tax system.

The business agreement is granted by a Decree from the Council of Ministers.

2. AMENDMENTS OF TAX INCENTIVES FOR INVESTMENTS AS PROVIDED FOR IN THE GENERAL TAX CODE - VARIOUS MEASURES

At the same time as the amendment to the Investment Code, certain tax incentives for investments have also been modified.

2.1 Article 4-6 (arrangement referred to as "de l'usine nouvelle" ("new factory")):

The five year exemption from BIC taxes shall be increased to 7 years in respect of profits resulting from the operation of a new factory installed

outside the Abidjan region (which is to say, outside the regions of Abidjan, Abobo, Adzopé and Agboville).

The sectors referred to are the following:

- flour
- cotton seed oil
- palm oil
- natural latex
- rice
- rice
- sugar
- industrial processing of meats.

2.7 Fees paid to architects or consultancy bureaux - TPS

TPS is not, in principle deductible from V.A.T., except in three cases specified by current legislation. A fourth exception shall be added to these under Article 231-2 CGI (and, consequently in Appendix III), which shall enable businesses which have been granted priority status to recuperate the TPS due on the fees to architects and consultancy bureaux at the time of making the investments necessary for their installation.

3. AMENDMENTS RELATING TO THE FNI

The reduction of 80,000 F applicable to the FNI levy shall be increased to 150,000 F for the P.M.E. (small and medium businesses).

The minimum investment to be realized in category 1 in order to qualify for the reimbursement of the certificates shall be reduced from 15 to 10 million (Abidjan contribution) and from 10 to 5 million (for the rest of the country), when investments are made by the P.M.E. (small and medium businesses).

For the full text of Article 4, 1985 Financial Law - Fiscal Appendix, etc., please write to:
Ministère de l'Economie, des Finances et du Plan, B.P.V. 163, Abidjan, Côte d'Ivoire

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TURDAY-SUNDAY, MARCH 9-10, 1985

ECONOMIC SCENE

U.S. Policy and the Dollar:
a Decline in the Offing?

By LEONARD SILK
New York Times Service

NEW YORK — The soaring dollar was jolted again this week by the warning of the Federal Reserve Board's chairman, Paul A. Volcker, that there could be a "very sharp decline" in the dollar's value because market psychology could change rapidly.

Psychology obviously has a lot to do with the day-to-day use of the dollar, whose drops send interest rates up and the securities markets down. On Thursday, the dollar jumped on news that the money supply had grown more rapidly than expected.

But the big question is whether the markets are starting to see a turning of the dollar resulting from fundamental changes in economic and political climate and from the actions of the Fed, the Reagan administration and Congress, as well as those of foreign central banks and governments.

Mr. Volcker, whether he intended to or not, shocked the bond market down and interest rates up with his strong Wednesday statement that the Fed had ended its aggressively easier monetary policy of the last four months but had not yet decided to tighten.

Mr. Volcker suggested that the markets had misinterpreted his statement. He caricatured the markets' reaction by saying they had taken "about one nanosecond" to react, implying it was a very short time.

In a prepared statement, Mr. Volcker said Wednesday that "we want to provide enough money this year to sustain orderly growth in demand and output." Pressed to say what the Fed did do next, Mr. Volcker said, "I don't know what the next move is."

In confusion, the dollar fell in response to Mr. Volcker's latest jolt, and so, a nanosecond behind, did the stock and bond markets. Confusion, which the markets abhor, was intensified by a speech given at the Brookings Institution the same day by John Martin, the vice chairman of the Fed and a Reagan appointee.

Mr. Martin said that "somewhat faster" growth of the money supply might be needed this year because of a slowdown in activity, the rate at which the money supply turns over.

AS Mr. Volcker actually trying to slow the growth of the money supply and Mr. Martin trying to speed it up? In an interview Thursday, Mr. Martin sought to dispel the confusion by saying that Brookings had asked him to look ahead through 1985 and 1986, while Mr. Volcker was looking backward through the latter part of 1984.

"While we eased back in August and September, we are no longer easing," Mr. Martin said. The present status, he said, was "we are neither tightening nor loosening."

Essentially, he insisted, monetary policy had not changed. "We're permitting the narrowly defined monetary aggregates to grow above their target range," and that is still the case, he added.

Mr. Martin said M-1, consisting of currency in circulation, demand deposits, traveler's checks and other checkable deposits, still increasing at an annual rate of 10 percent or 10 percent more.

How could the markets interpret this as tightening? He asked rhetorically. In raising interest rates in response to its expectations of future monetary policy, he said, the market was making a "fulfilling prophecy."

For the whole of 1985, he said, the Fed would be at or above its target for M-1, depending on what happened to velocity. If velocity sagged again, as it had in 1982, "we will be at or above 10 percent" in monetary growth.

And what did the Fed mean to do about the dollar? he was asked.

(Continued on Page 19, Col. 1)

Are markets seeing
a peaking of the
dollar because of
of changes in climate?

Dieter Kirchner, president of Gesamtmetall, said in an interview Friday that the chief reason for widespread reluctance to hire new workers was an effective 5.9 percent rise in total wage costs because of last summer's agreement ending the strike.

"In addition to the 2 percent wage increase incorporated in the agreement, companies face a 3.9 percent rise in effective wage payments as a result of workers spending less time on the job with no loss in pay," Mr. Kirchner said. This is because companies will have to pay overtime to cover production needs.

Mr. Kirchner stressed that a major reduction in West Germany's current unemployment rate, at a postwar record of 10.5 percent, depends on companies posting strong profits and having sufficient liquid funds to invest. "With exports accounting for over 50 percent of sales in the metal industry, a sharp drop in the dollar and a weakening of overseas demand could throw us into very serious difficulty," he said.

Mr. Kirchner said he was confident that the flexibility granted to companies in establishing a 38.5-hour workweek eventually would encourage manufacturers to expand their labor force.

The Bonn government could markedly improve employment, Mr. Kirchner said, by allowing employers to hire new workers for an 18-month period with the option to fire. Current regulations allow short-term work of up to a year.

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Currency Rates

Latest interbank rates on March 8, excluding fees.
Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates at

	\$	DM.	FF.	L.	Gst.	S.F.	S.F.
return	3.863	4.185	11.715	37.1	8.784	5.61	132.68
abs(n)	68.476	72.91	20.979	6.528	3.226	4.779	12.62
irr	1.0453	1.0453	1.0453	1.0453	1.0453	1.0453	1.0453
net	1.0453	1.0453	1.0453	1.0453	1.0453	1.0453	1.0453
ar(1)	2.1358	2.0040	6.040	20.407	55.10	70.91	81.3
		1.048	3.294	10.375	3.080	68.25	1.895
	18.1	18.1	18.1	18.1	18.1	18.1	18.1
	2.0045	2.772	7.40	25.81	12.30	67.95	87.45
	2.0045	2.0045	85.145	39.16	6.7325	434	1.1663
	0.4516	0.4127	2.2245	6.794	1.2673	2.571	1.694
	0.95171	0.95172	2.25037	9.9125	2.00302	4.6152	3.748

Dollar Values

Currency	Par	U.S.	West Germany	France	Italy	Japan	U.K.	Switzerland	Spain	Belgium	Netherlands	Australia	New Zealand	South Africa	Canada	Sweden	Denmark	Norway	Finland	Portugal	Greece	Ireland	Portugal	Greece	Ireland
Dollar	1.00	1.00	1.48	1.36	1.36	1.61	0.67	1.48	166.3	36.3	20.3	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	
Mark	0.67	1.00	0.95	0.95	1.12	0.40	1.00	166.3	36.3	20.3	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Franc	0.76	1.05	1.00	1.00	1.20	0.45	1.05	166.3	36.3	20.3	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05		
Lira	1.36	1.36	1.36	1.36	1.61	0.67	1.36	166.3	36.3	20.3	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36		
Yen	0.61	1.12	1.20	1.20	1.00	0.40	1.12	166.3	36.3	20.3	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12		
Pound	0.67	0.40	0.45	0.45	0.67	1.00	0.67	166.3	36.3	20.3	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67		
Swiss	0.67	1.00	0.95	0.95	1.12	0.40	1.00	166.3	36.3	20.3	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Spanish	166.3	36.3	20.3	20.3	166.3	36.3	20.3	1.00	1.00	1.00	166.3	36.3	20.3	20.3	166.3	36.3	20.3	20.3	166.3	36.3	20.3	20.3	166.3		
Belgian	36.3	20.3	20.3	20.3	36.3	20.3	20.3	1.00	1.00	1.00	36.3	20.3	20.3	20.3	36.3	20.3	20.3	20.3	36.3	20.3	20.3	20.3	36.3		
Dutch	20.3	20.3	20.3	20.3	20.3	20.3	20.3	1.00	1.00	1.00	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3		
Austrian	1.48	1.48	1.48	1.48	1.48	1.48	1.48	166.3	36.3	20.3	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48		
Portuguese	1.48	1.48	1.48	1.48	1.48	1.48	1.48	166.3	36.3	20.3	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48		
Greek	1.48	1.48	1.48	1.48	1.48	1.48	1.48	166.3	36.3	20.3	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48		
Irish	1.48	1.48	1.48	1.48	1.48	1.48	1.48	166.3	36.3	20.3	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48		

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Interest Rates

Recurrency Deposits

Dollar	DM-Mark	Swiss Franc	Spanish Peseta	French Franc	ECU	SDR
10% - 9%	5% - 4%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
9% - 8%	4% - 3%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
8% - 7%	3% - 2%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
7% - 6%	2% - 1%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
6% - 5%	1% - 0%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
5% - 4%	0% - -1%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
4% - 3%	-1% - -2%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
3% - 2%	-2% - -3%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
2% - 1%	-3% - -4%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
1% - 0%	-4% - -5%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
0% - -1%	-5% - -6%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%
-1% - -2%	-6% - -7%	5% - 5%	12% - 14%	10% - 11%	10% - 10%	8%

available in interbank deposits of \$1 million minimum (or equivalent)
* Meridian Guaranty (Dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Citibank (SDR).

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United Press International

DALLAS — Great Western Sugar Co., two of its subsidiaries, part of the troubled financial empire of Nelson Bunker Hunt, W. Herbert Hunt, filed Thursday for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

Officials of the Denver company, one of the largest sugar producers in the United States, said the request was made because some Great Western's lenders refused to continue financing its operations. Under Chapter 11, the company tries to continue operating while it seeks to find ways of paying its creditors.

The bankruptcy declaration, filed in U.S. Bankruptcy Court in Dallas, also includes Northern Ohio Sugar Co. of Fremont, O.

to continue to operate and proceed with ongoing

Resources of Dallas said Great Western "is to continue to operate as a going business and proceed with ongoing shipping and manufacturing operations" if the court approves the settlement. The company said it would encourage its customers to deliver sugar and encourage its customers to continue to purchase it from Great Western Sugar under these proceedings, the statement added.

Hunt International Resources Inc., which owns Great Western, is owned by the trust of Herbert H. Hunt and Nelson Banks. Thursday's announcement was the latest by the Hunt family financial empire, by economists say, has fallen in value by \$4 billion to \$1.6 billion, in the last four years.

Great Western's operations were shut on Friday and employees were furloughed, *The Dallas Times Herald* reported that the Great Western Trust. Hunt International's subsidiaries with only two offshore oil-drilling as its operating assets.

Glen Adams, vice chairman, said G

Mr. Adams said:

The Hunts told the federal Securities Exchange Commission last week that the company had accumulated a \$389 million, its \$450-million debt. The company owes \$3 million to the Commodities Credit Corp., a federal farm-credit agency, and analysts believed to owe most of the rest to Manufacturers Hanover Trust of New York and the National Bank of Chicago.

The Hunts also said that Hunt International an affiliates race potential acquisitions of \$200 million in face of lawsuits.

During the fiscal years 1983 and 1984, i

Herbert and Buml

international Resources disposed of most assets, including a corn-syrup producer, and a development company in California the Shakey's Inc. pizza restaurant chain.

Herbert and Bunker Hunt were among people charged last week by the Commodity Futures Trading Commission with manipulating the silver market in 1979 and 1980.

**WHAT WOULD LIFE BE LI
WITHOUT IT?
WEEKEND
EACH FRIDAY IN THE IH**

...and the

SPORTS

Ricky Bell — Death in the Style of Lou Gehrig

By Chris Dufresne
Los Angeles Times Service

LOS ANGELES — Lou Gehrig would have loved Ricky Bell. He would have appreciated his gifts of grace and strength and durability. He would have respected his humility and his quiet determination.

Bell was one of the great players of his era, a first baseman who played 2,130 consecutive games. Bell, the tireless USC tailback, carried the ball 51 times in a single game in another game he gained 347 yards. Bell had second to Tony Dorsett in the 1976 man Trophy balloting and was the first pick in the 1977 NFL draft.

Both Bell and Gehrig were struck down in prime, victims of rare muscle diseases that could barely pronounce, let alone understand. Both lived their final days robbed of strength and stamina that was the very core of their legends.

Ricky Bell, like Gehrig, never sought the sympathy of others.

He died Nov. 28, 1984, at Daniel Freeman Hospital in Inglewood, Calif. He was 29. He had a heart attack triggered by an uncommon muscular disease of the heart called dermatomyositis. It's a form of dermatomyositis, an inflammation of the skin and muscles. Fewer than 5 percent of people with dermatomyositis ever contract the form of disease as serious as cardiomyopathy.

By Bell got a bad break.

And Martin of the Los Angeles Raiders, his teammate at USC, said after the funeral he and his friends never realized Ricky was so sick.

People would call the house and ask how he was doing and he'd say "I'm great. Just say hi to my wife, Natalia." "It made me just say, 'Why are you saying that?' And I'd say, 'I don't want anybody feeling sorry for me. I'm going to get better.'"

He lived as he played. He was tough and stubborn, never conceding an inch. To the end, he swore that he would beat this disease. He suffered immensely, but it was like him to bare his emotions.

On one of the nights he would wake screaming in pain. No one knew that near and he couldn't even help his wife carry in groceries or get a glass of water by himself. No one knew about the oxygen machine he had to use to breathe, or about the pain relievers he never took. No one knew he had suffered when he tried to reach to his 4-year-old daughter, Noelle, knowing full well he couldn't lift her.

Two weeks before Bell died, Natalia had a date meeting with Ricky's physician, Dr. Metzger, and was told that her husband

band's heart would not hold up for more than six months.

But Ricky never knew. He wasn't sitting around waiting to die. The night before he died, he was planning, not dwelling on the past. He had obtained his real-estate license and talked of getting into the pest-control business.

Ricky would never allow Natalia to talk about death.

The disease that Bell had, cardiomyopathy,

affected about five in every million people. Doctors do not know the cause of dermatomyositis.

"It's a disease where the muscles and arteries are attacked and may be started or triggered by a virus," said Metzger, who treated Bell during the last year of his life. "The muscles get inflamed, causing profound weakness. The blood vessels within the skin become severely inflamed to the point where you're unable to use your muscles. The weight loss comes from the body trying to fight off the disease."

In most cases, Metzger said, the disease can be controlled with cortisone and immunosuppressives, drugs that reduce muscle inflammation. But in extreme cases, such as Bell's, the disease spreads to the lungs and heart, forming the worst kind of dermatomyositis.

"It's ironic that someone with such a big heart would succumb to something associated with the heart," said Melvin Jackson, a former USC lineman who was Bell's best friend. "I thought he was rare, and I'm not

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Ricky Bell holds his new Tampa Bay jersey after being made number one choice in the 1977 NFL draft.

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Ricky would never allow Natalia to talk about death.

just saying that because he was my friend or because he died. What I loved about him was that he was sincere.

"I spent five years in the NFL and saw a lot of athletes get a lot of press for doing community things that were really staged. He didn't do that. A lot of things he did were never publicized. He spent a lot of time with kids in South Los Angeles. And he did it for free."

Bell had his biggest season in 1979, when he gained 1,262 yards in leading Tampa Bay to the NFC Central Division title. But the following years were marred by injury. Bell didn't recover from injuries as quickly as other running backs. Then again, he thought, other backs didn't have to run behind Tampa Bay's weak offensive line. Maybe he was just getting old.

Bell was traded to the San Diego Chargers in March of 1982. He dreamed of a new beginning, but the dull ache in his legs would not subside.

Natalia remembers him coming home from workouts and collapsing on the couch, where he would sleep the night away. He developed lesions on his hands.

Charger physician, Dr. Lee Rice, referred Bell to arthritis specialist Dr. Michael Weisman at the University of San Diego.

"Right off the bat I knew there was a serious problem," Weisman said. "He had swollen hands and feet, and open sores on his fingers and toes."

When the disease was first diagnosed in January of 1983, Bell refused to accept it. He was constantly testing his endurance.

In early 1983, he drove by himself across the country. He stopped in various cities along the way to phone progress reports to his wife and Dr. Weisman.

Bell made it to Tampa but was so exhausted that he needed a friend to drive him back.

"The lowest point, I remember, is when he came into my office one day," Weisman said. "He said how much he loved his daughter but that he couldn't even pick her up and swing her over his head. He said he'd try to chase his daughter around the house but couldn't do it. When he told me that, I almost cried."

Bell couldn't sleep the night before he died, but that wasn't unusual. Because of the pain and his difficulty in breathing, Bell often had to sleep sitting in a chair.

Natalia was typing a term paper the night before Ricky died. He stayed up with her. Natalia awoke at 6:30 a.m. to get Noelle off to school and then was off to school herself.

Natalia was in her second class when a security guard entered the class.

"I knew he was for me," she said. "They didn't tell me he had a heart attack, but I knew."

Ricky Bell had died at 11:06.



Natalia Besetmanova and Andrei Bukin of the Soviet Union dance to victory in the world skating championships.

Soviet Ice Skaters Take Top Places in Dancing

Compiled by Our Staff From Dispatches

TOKYO — The Soviet Union swept the top two spots in ice dancing Friday at the 1985 world figure skating championships with the team of Natalia Besetmanova and Andrei Bukin winning the gold medal.

Marina Klimova and Sergei Ponomarenko took the silver while Americans Judy Blumberg and Michael Seibert were third.

Soviet skaters have already won the men's and the pairs titles and a Soviet woman, Kira Ivanova, leads in the last event, the women's figure skating to be decided Saturday.

Besetmanova and Bukin, who came in second in the 1984 Winter Olympic Games in Sarajevo, performed a breathtaking rendition of the ballet, "Carmen Suite." Besetmanova even looks like fiery Bolshoi baller star Maya Plisetskaya, the originator of the role.

"All our lives and training were devoted to coming in first," Besetmanova said through an interpreter. She then added in English, "We are very happy now."

Their competitors, Klimova and Ponomarenko, who are husband and wife, did a shumba and cha-cha in impeccable form. They came in third in Sarajevo.

Blumberg, 28, of Tarzana, Cal-

fornia, and 25-year-old Seibert of Washington, Pennsylvania, came to the competition with a catchy original score and years of experience. The team came in seventh at the 1980 Olympics in Lake Placid, fourth in Sarajevo. They also finished third in the 1984 world figure skating championships.

The standings as the last pair of finalists left the ice were 2.0 for Besetmanova and Bukin, who are also this year's European champions, and 4.0 for Klimova and Ponomarenko.

In skating, the pair or individual skaters with the lowest score is the leader.

Ivanova holds a narrow lead over Tiffany Chin of the United States and Katarina Witt of East Germany in the women's figure skating.

The three women are so tightly bunched in scoring after completing the short program and compulsory figures segments that the overall winner is likely to be the one who captures the free skating — an event regarded as the American's strong suit.

"It could go any way," said Chin, a 17-year-old Californian who won the American title two months ago. Another strong performer here, although an improbable medal winner, was 17-year-old Debi Thomas of California, who finished second to Chin in the United States championships in January and is fifth here so far.

Perhaps inevitably, she attracted as much attention for the fact that she is the first black woman to reach this level of competition as for her performance.

"I think I'm probably more of a stand-out here than even at home," she said. "I don't know. I don't think about it that much. I'm just a skater, like everyone else."

Thomas, too, said she was pleased with her performance, and noted wryly that there was far less pressure on her than there was on Chin. "I'm not expected to do anything," she said. "I'm the second-place girl."

(AP, NYT)

In the NBA, They Keep Getting Bigger

By William R. Barnard

The Associated Press

NEW YORK — Picture a National Basketball Association lineup in the year 2000. Centers 7-foot-6 (2.29 meters) or taller are commonplace; some guards are 7-0. It may not be as far-fetched as it seems.

Already, 6-9 guards and 7-4 forwards roam the NBA courts. At the All-Star Game last month, Western Conference Coach Pat Riley toyed with the idea of playing a lineup with three 7-footers and no one smaller than 6-9.

With the emergence of young towers such as Ralph Sampson and Akeem Olatunji, and the long-awaited pro debut next season of college star Patrick Ewing, the trend toward big men who can run and pass as well as shoot, rebound and block shots is expected to continue.

"There are just much better athletes now than we used to have," New Jersey Nets Coach Stan Albeck says.

The average height of an NBA player this season is 6-7 1/2, and as of Jan. 1, 23 players — almost 10 percent of the league's rosters — measured 7 foot or better.

And not only have the sizes changed. In the 1950s and '60s, centers rarely ventured away from the basket, or "paint," as the foul lane is called. Today, they regularly can be found doing things only guards would try less than a decade ago.

"Big men today are prettier," Houston Coach Bill Fitch says. "By that I mean, in the old days, they didn't do pretty things. Some guys, like Dave Cowens and Willis Reed, would step outside and shoot. But now they wouldn't. Now you have 7-footers doing that."

One 7-footer, 7-4 to be exact, is Fitch's own Sampson, who moved to forward this season when the Rockets drafted the 7-0 Olatunji. Sampson shoots from outside and fills a wing on the fast break more often than resorting to a power game inside.

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Albeck says a development that led to the changing role of the big man in the NBA was the widening

"I really would like to play some at guard," Sampson says. "I want no boundaries or restrictions on what I can or can't do. I want to be a versatile, all-around player."

"Some day I'll let him play guard, but first I'll make him run a killer guard drill and see if he still wants to," Fitch says. "But people laugh and joke about a 7-footer playing guard. Ten years ago, you would laugh at the idea of a 7-4 man playing forward, and Ralph is doing it, or laugh at a 6-9 guy playing guard, and look at Magic Johnson."

Johnson would have been the point guard on Riley's all-star team, had he decided to use it. The other members would have been Sampson and Olatunji at forwards, Kareem Abdul-Jabbar (7-4) at center and Larry Nance (6-10) at the other guard.

Will Chamberlain, one of the NBA's first 7-footers who often dominated games in the 1960s, speaks with some disdain of today's breed of big men, saying the centers of his day would never allow all that fancy moves and dunking that fans see now.

"These guys aren't centers," Chamberlain says. "Bill Russell, Nate Thurmond, Willis Reed, they were centers. They were tough."

Reed, now coach at Creighton University, agrees with Chamberlain — to a point.

"I think centers were better defensively in my era; we had the attitude that the point was our area," says Reed, a 6-10 star for the New York Knicks a decade ago. "Players are getting bigger and stronger at every position. The small centers now are 6-11. The game has changed. So many teams are running the transition game."

But, Reed adds, "I think the game is still the same in that if you are starting a team from scratch, you still want the biggest, most physical player you can find."

Albeck says a development that led to the changing role of the big man in the NBA was the widening

of the three-second lane from six feet to 12, then 16 feet.

In the George Mikan days, there was no way he could be moved away from the basket," Albeck says of the six-foot lane in use when the 6-10 Mikan became the first of the "big men" with Minneapolis in the late 1940s. "Now, big guys can't do that. It has had an even bigger effect defensively because the big men have more area to cover."

"Changing the lane helped my career because I could play defense against the Kareems and the other 7-footers," Reed says.

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races End Flutie Far Ahead of 49ers' Montana, in Pay

By Gerald Eskenazi

New York Times Service

NEW YORK — New information about Doug Flutie's contract reveals that the rookie quarterback is the highest salaried player in professional football. He will earn \$1,250,000 this season — \$350,000 more than Joe Montana will earn next season after having led the San Francisco 49ers to victory in the Super Bowl.

In addition, the length of Flutie's contract is six years — not five, as previously reported — and has a total value in salary of almost \$8.3 million, according to several sources who have examined his contract with the New York Generals.

It had been previously reported that Flutie would earn from \$5 million to \$7 million over five years.

Donald Trump, the Generals' owner, confirmed on Thursday the length of the contract for the Heisman Trophy winner and potential savior of the struggling league in the eyes of many NFL executives.

Trump would not comment on other terms in the contract. Flutie's attorney, Bob Wolff of Boston, refused to discuss the terms of the pact.

Even before he threw a pass in the U.S. Football League, Flutie was guaranteed to earn more money than his teammate Herschel Walker, whose \$1.1 million a year is believed to make him the second-highest salaried player in football.

The two are paid more than any player in the National Football League, where Montana will earn

that league's top salary of \$900,000 this year.

According to the sources, Flutie's salary will increase in \$500,000 increments, giving him an average over the six years of almost \$1.4 million a season. All of it is payable in the year of the contract, with nothing deferred. Flutie is also the highest-salaried rookie in the history of sports.

The contract is unusual in that about half is guaranteed if the league folds. And if the Generals fold but the USFL continues to operate, Flutie will earn his entire salary every year for the length of the contract.

Although Trump would not comment on the precise amount of Flutie's contract, he said that if the Generals sold 9,000 additional tickets per home game because of Flutie, "you're talking about the contract."

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